

HEDGE PRO LLC

Statement of Financial Condition

**For the Period January 27, 2023 (Date of Approval) through
December 31, 2023**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORTS
FORM X-17A-5
PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/27/23 AND ENDING 12/31/23
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: HEDGE PRO LLC

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

125 TOWNPARK DRIVE, SUITE 300

(No. and Street)

KENNESAW

GA

30179

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

John Dillon

470-919-0249

jdillon@hedgeinvest.io

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Jennifer Wray CPA PLLC

(Name – if individual, state last, first, and middle name)

800 Bonaventure Way #168 Sugar Land

TX

77479

(Address)

(City)

(State)

(Zip Code)

11/30/2016

6328

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

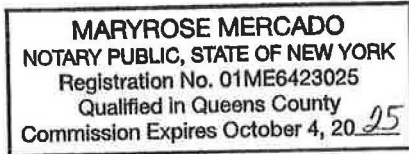
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* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, John Dillon, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of HEDGE PRO LLC, as of 12/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Notary Public

Signature:
Title: CEO

This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☐ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☐ (d) Statement of cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

Hedge Pro LLC

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Jennifer Wray CPA PLLC

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Tel: 281-923-7665 Email: jenniferwraycpa@yahoo.com [PCAOB#6328](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Member of Hedge Pro LLC,

Opinion on the Financial Statements

We have audited the accompanying statement of the financial condition of Hedge Pro LLC as of December 31, 2023, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of Hedge Pro LLC as of December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of Hedge Pro LLC's management. Our responsibility is to express an opinion on Hedge Pro LLC's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Hedge Pro LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Jennifer Wray CPA PLLC



We have served as Hedge Pro LLC's auditor since 2023.

Sugar Land, Texas

March 26, 2024

Hedge Pro LLC
Statement of Financial Condition
As of December 31, 2023

Assets

Cash	\$	51,436
Deposit at broker		125,067
Prepaid expenses and other assets		25,430
Total assets		<u>201,933</u>

Liabilities and Member's Equity

Due to parent		3,216
Accounts payable and other accrued expenses		38,386
Total liabilities		<u>41,602</u>
Member's Equity		160,331
Total liabilities and member's equity	\$	<u>201,933</u>

The accompanying notes are an integral part of this financial statement.

Hedge Pro, LLC

Notes to the Financial Statements

December 31, 2023

1. Organization

Hedge Pro LLC ("the Company") is a limited liability company established in the state of Delaware on October 5, 2021. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and was approved on January 27, 2023 as a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is wholly owned subsidiary of Hedge Capital Markets Inc. ("the Parent"). The Company clears its activity through an unaffiliated clearing firm, Apex Clearing Corporation ("Clearing Broker") on a fully disclosed basis.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of cash held at financial institutions which at times may leave behind federally insured limits. The Company has not experienced any losses on these accounts and does not believe it is exposed to any significant credit risk with respect to its depository institutions.

Revenue Recognition

The Company revenue is derived from subscription fees and brokerage revenue. The Company accounts for revenue in accordance with ASC 606. Refer to the Revenue Recognition footnote for further discussion.

Clearing and Execution Fees

Clearing and execution include fees charged by Clearing Broker and other transactional based fees incurred in the normal course of business, such as settlement and execution of transactions. Expenses are recorded as incurred.

Deposit at Broker

The Company is required to maintain a certain amount of cash on deposit with the Clearing Broker to cover any obligations that may arise from the Company. This deposit at broker is in the amount of \$125,000 as of December 31, 2023.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

For the year ending December 31, 2023, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the

Hedge Pro LLC

Notes to the Statement of Financial Condition

As of December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (Continued)

Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

3. Revenue Recognition

Brokerage revenue

The Company shares in brokerage revenue from clients introduced to Clearing Broker by the Company. Brokerage revenue includes interest generated from client cash balances, fully paid lending rebates and subscription fees. The Company's contract with its Clearing Broker is comprised of a single performance obligation to provide a series of services to introduce customer accounts and trades that are substantially the same and that have the same pattern of transfer. The underlying service the Company is performing for each of these revenue streams is that of an introducing broker, and under ASC 606 we have concluded that all brokerage revenue falls under this introducing broker performance obligation. The Company has evaluated the incremental costs to obtain and fulfill this agreement and determined that those costs do not meet the criteria for capitalization.

4. Risks and Uncertainties

The Company maintains cash in bank accounts at financial institutions that leave behind federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. The Company has not experienced any losses in such accounts.

The Company relies heavily on several operational systems and technology to function accurately and securely. The ineffectiveness, failure, or other disruption of these systems could adversely impact the Company.

The Company executes, as agent, securities transactions on behalf of its customers. In the event the Clearing Broker does not fulfill its obligations, the Company may be exposed to risk.

5. Commitments and Contingencies

The Company introduces on a fully-disclosed basis to its Clearing Broker. The Clearing Broker carries all of the customer accounts and is responsible for collection and payment of funds and receipt and delivery of securities relative to customer transactions. These transactions may expose the Company to off-balance-sheet risk, wherein the Clearing Broker may charge the Company for any losses it incurs in the event that customers may be unable to fulfill their contractual commitments, and margin requirements are not sufficient to fully cover losses. As the right to charge the Company has no maximum amount and applies to all trades executed through the Clearing Broker, the Company believes there is no maximum amount assignable to this right. The Company has not recorded any contingent liability in the financial statements for this agreement and believes that any potential requirement to make payments under these agreements is remote.

Hedge Pro LLC

Notes to the Statement of Financial Condition

December 31, 2023

5. Commitments and Contingencies (continued)

The Company has the right to pursue collection or performance from the counterparties who do not perform under their contractual obligations. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers and to ensure that customer transactions are executed properly by the Clearing Broker, subject to the credit risk of the Clearing Broker.

Management believes as of December 31, 2023 the Company is not subject to any litigation, arbitration, or regulatory action and as such, no accrual needs to be made.

6. Due to Parent

In 2023, the Parent allocated \$20,803 in expenses to the Company, covering both rent (\$1,071) and benefits (\$19,732.40), as included in the Statement of Operations. As of December 31, 2023, there is a balance in due to Parent of \$3,216 as presented in the Statement of Financial Condition.

7. Regulatory Requirements

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 .

8. Going Concern Disclosure

These financial statements assume the Company will continue operating. However, significant operating losses raise doubts about its ability to do so. To address these challenges, the Parent Company is raising additional funds of \$1,050,000. The Parent made a \$37,000 capital contribution to the Company in February 2024 and \$100,000 in March 2024. The Parent is prepared to provide additional capital as needed to fund and support the Company's 2024 operations.

Despite these efforts, uncertainties remain about the Company's ability to continue operations within one year. The financial statements do not reflect potential adjustments from this uncertainty.

9. Subsequent Events

Management of the Company has evaluated subsequent events and transactions that have occurred since December 31, 2023, through the date of this report and determined that there are no material events that would require disclosures in the Company's financial statements.