

**GB Capital Markets, Inc.**

(a wholly-owned subsidiary of GB Capital Markets, LLC)

**Statement of Financial Condition**

**Pursuant to Rule 17a-5 under the**

**Securities Exchange Act of 1934**

**December 31, 2020**

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

<b>OMB APPROVAL</b>
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III  
FACING PAGE**

<b>SEC FILE NUMBER</b>
8-41854

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:

GB Capital Markets, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

475 Springfield Avenue, Suite 301

(No. and Street)

Summit

(City)

NJ

(State)

07901

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Shari Rothenberg

(908) 743-1307

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

YSL & Associates

(Name - if individual, state last, first, middle name)

11 Broadway, Suite 700

(Address)

New York

(City)

NY

(State)

10004

(Zip Code)

**CHECK ONE:**

☒

Certified Public Accountant

☐

Public Accountant

☐

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2). SEC 1410 (3-91)

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**This report \*\* contains (check all applicable boxes):**

- ☒ Report of Independent Registered Public Accounting Firm.
- ☒ Facing Page.
- ☒ Statement of Financial Condition.
- ☐ Statement of Earnings.
- ☐ Statement of Cash Flows.
- ☐ Statement of Changes in Members' Equity.
- ☐ Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).
- ☐ Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- ☐ Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- ☐ Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- ☐ A Reconciliation, including appropriate explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 (included with item (g)) and the Computation for Determination of Reserve Requirements Under Rule 15c3-3 (included in item (g)).
- ☐ A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).
- ☒ An Affirmation.
- ☐ A copy of the SIPC Supplemental Report.
- ☐ A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).
- ☐ Report of Independent Registered Public Accounting Firm regarding Rule 15c3-3 exemption report.
- ☐ Management Statement Regarding Compliance with the Exemption Provision for SEC Rule 15c3-3

**\*\*** *For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

## AFFIRMATION

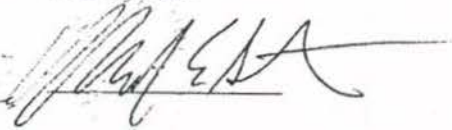
I, Gerard Visci, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to GB Capital Markets, Inc. at December 31, 2020, is true and correct.

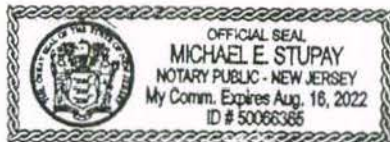
I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
CCO  
Title

Subscribed and sworn  
to before me









## **YSL & Associates LLC**

Certified Public Accountants

Member of Parker Randall International

11 Broadway, Suite 700, New York, NY 10004

Tel: (212) 232-0122 Fax: (646) 218-4682

### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholder of  
GB Capital Markets Inc.

#### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of GB Capital Markets Inc. (the "Company") as of December 31, 2020, 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 the Company as of December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

*YSL & Associates LLC*

We have served as GB Capital Markets Inc.'s auditor since 2019.

New York, NY

February 23, 2021

**GB Capital Markets, Inc.**

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**Statement of Financial Condition****December 31, 2020**

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**Assets**

Cash	\$	21,816
Due from Parent		20,000
Other assets		<u>2,833</u>

Total assets

\$ 44,649**Liabilities and Stockholder's Equity**

## Liabilities:

Accrued expenses and other liabilities	\$	7,154
Total liabilities		<u>7,154</u>

## Stockholder's Equity:

Common stock (\$.01 par value; 1,000 shares authorized, 10 shares issued and outstanding)		1
Additional paid-in capital		180,030
Retained earnings (deficit)		<u>(142,536)</u>
Total stockholder's equity		<u>37,495</u>

Total liabilities and stockholder's equity

\$ 44,649

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

**GB Capital Markets, Inc.**  
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**Notes to Statement of Financial Condition**  
**December 31, 2020**

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**1. Organization and Business**

GB Capital Markets, Inc. (the "Company"), incorporated under the laws of the State of Delaware, is a broker-dealer in securities registered with the Securities and Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly owned subsidiary of GB Capital Markets, LLC (the "Parent").

The Company acts primarily as a broker or dealer providing investment advisory services.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

These financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") which require 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 amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

**Cash**

Cash deposits are held at one financial institution and therefore are subject to the credit risk at this financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

**Income Taxes**

The Company's earnings are subject to applicable U.S. federal, state and local taxes. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. In the event it is more likely than not that a deferred tax asset will not be realized, a valuation allowance is recorded.

As of December 31, 2020, the deferred tax assets in the amount of \$18,000 resulted from net operating losses and have resulted in a full valuation allowance.

Net operating loss carryforwards do not expire, but they are subject to a limitation of 80% of taxable income.

At December 31, 2020, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. The Company's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analyses of and changes to tax laws, regulations and interpretations thereof.



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### **Notes to Statement of Financial Condition December 31, 2020**

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#### **3. Regulatory Requirements**

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2020, the Company had net capital of \$15,000 which exceeded the required net capital by approximately \$10,000.

The Company does not hold customers' cash or securities and, therefore, has no obligations under SEC Rule 15c3-3 under the Securities Exchange Act of 1934.

#### **4. Related Party Transactions**

The Company maintains an administrative services agreement (the "Expense Sharing Agreement") with Genesis Block, LLC ("GBLLC"), a company under common control with the Parent whereby GBLLC provides compensation, administration, technology and other services to the Company. The Company does not have any obligation, direct or indirect, to reimburse or otherwise compensate the Parent for any or all shared costs that the Parent has paid on behalf of the Company. The aggregate value of these services incurred by the Parent and allocable to the Company has been determined by management to approximate \$68,000 for year ended December 31, 2020. These costs have not been recorded on the books of the Company.

#### **5. COVID-19**

During the 2020 calendar year, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern". This pandemic has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The financial performance of the Company is subject to future developments related to the COVID-19 outbreak and possible government advisories and restrictions placed on the financial markets and business activities. The impact on financial markets and the overall economy, all of which are highly uncertain, cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results may be materially affected. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



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### **Notes to Statement of Financial Condition December 31, 2020**

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#### **6. New Accounting Pronouncement**

In June 2016, the FASB issued ASU 2016-13, Accounting for Financial Instruments – Credit Losses (Topic 326). ASU 2016-13 requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Previously, GAAP required an “incurred loss” methodology that delays recognition until it is probable a loss has been incurred. Under the new standard, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The income statement reflects the measurement of credit losses for newly recognize financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This provision of the guidance required a modified retrospective transition method with a cumulative-effect adjustment in retained earnings upon adoption. This guidance became effective for the Company on January 1, 2020, and the Company adopted this guidance on that date. The impact of this guidance was not material to the Company.

#### **7. Going Concern**

Accounting Standards Update 2014-15 requires that management evaluate conditions or events that might raise substantial doubt about the Company’s ability to continue as a going concern. Management has evaluated the Company’s conditions and has determined that unless the Company generates enough revenue or continues to be funded by its parent, there is substantial doubt about the Company’s ability to continue as a going concern. Capital is not a significant income producing factor and should the Company have a need for capital it has been able to rely upon its parent to infuse capital to cover overhead should that become necessary. Management has pledged additional support to the Company to enable it to operate for the next year should that become necessary.

#### **8. Subsequent Events**

Management of the Company has evaluated events or transactions that may have occurred since December 31, 2020 and determined that there are no material events that would require adjustment to or additional disclosure in the Company’s financial statements.