



**LOEWEN, ONDAATJE, McCUTCHEON USA, LLC
(DOING BUSINESS AS BLV SECURITIES)**



PUBLIC

Statement of Financial Condition

For the Year Ended March 31, 2019

(With the Report of Independent Registered Public Accounting Firm Thereon)



MARCH 31, 2019

**175 STRAFFORD AVENUE – SUITE ONE
WAYNE, PA 19087**



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For the Year Ended March 31, 2019**

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

| OMB APPROVAL | |
|---|-----------------|
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

| SEC FILE NUMBER |
|-----------------|
| 8-46604 |

FACING PAGE
**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 04/01/2018 AND ENDING 03/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **BLV SECURITIES**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

175 STRAFFORD AVENUE - SUITE ONE

(No. and Street)

WAYNE

PA

19087

(City)

(State)

(Zip Code)

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

FRANCIS G. MITCHELL

610-687-7620

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RW GROUP, LLC

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

400 OLD FORGE LANE

KENNETT SQUARE

PA

19348

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



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

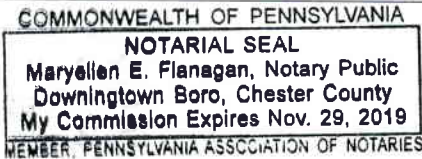
FOR OFFICIAL USE ONLY

*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)

OATH OR AFFIRMATION

I, **FRANCIS G. MITCHELL**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **BLV SECURITIES**, as of **MARCH 31,** 20 **19**, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A



Francis G. Mitchell
Signature

CHIEF EXECUTIVE OFFICER

Title

Maryellen E. Flanagan
Notary Public

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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



**Statement of Financial Condition
For the Year ended March 31, 2019**

Assets

| | | |
|-----------------------------------|----|---------|
| Cash and cash equivalents | \$ | 18,634 |
| Deposit with clearing broker | | 250,885 |
| Prepaid expenses and other assets | | 7,057 |
| <hr/> | | |
| Total assets | \$ | 276,576 |

Liabilities and Stockholder's Equity (Deficit)

| | | |
|---|----|----------|
| Liabilities: | | |
| Current Liabilities | \$ | 49,473 |
| Subordinated Loan Principal | | 250,000 |
| Subordinated Loan Interest | | 10,417 |
| <hr/> | | |
| Total Liabilities | \$ | 309,890 |
| Member Capital: | | |
| Member Capital (deficit) | \$ | (33,314) |
| <hr/> | | |
| Total liabilities and member's equity (deficit) | \$ | 276,576 |

The accompanying notes are an integral part of these financial statement



Notes to Financial Statements
For the Year ended March 31, 2019

1. Organization and significant accounting policies:

Loewen, Ondaatje, McCutcheon USA, LLC, **Doing Business As:** BLV Securities (the "Company"), is a Limited Liability Company that was formed on July 20, 2017 pursuant to Chapter 605 of the Florida Revised Limited Liability Company Act for the purpose of, among other things, from and after October 1, 2017, serving as the "Successor" to the Canadian corporation, Loewen, Ondaatje, McCutcheon USA Limited (the "Predecessor") that had, since its formation in 1993, operated in the capacity of a U.S. broker dealer registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA").

The Company performs corporate finance services for U.S. and foreign clients and earns commission income for securities trade execution and clearing services that are delivered on a fully-disclosed, introducing-broker basis through Pershing & Co., a subsidiary of BNY/Mellon. Accordingly, the Company does not currently hold customer securities or perform custodial functions relating to customer accounts.

On April 1, 2018 the Company was 92% owned by Belvedere Capital Holdings, LLC ("BCH") a Florida LLC and 8% owned by FGM Capital, LLC ("FGM"), a Delaware LLC. For all of fiscal year ending March 31, 2019 the Company's head office was located in Wayne, PA.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are as follows:

(a) Cash and cash equivalents:

The Company considers deposits in banks and term deposits with original maturities of three months or less as cash and cash equivalents.

(b) Securities transactions and balances:

Customers' securities transactions are recorded on a settlement date basis, with related commission income and expense recorded on a trade date basis. Interest income is recorded on an accrual basis.

(c) Underwriting and advisory revenue:

Investment banking revenue includes gains, losses and fees arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking revenue also includes fees earned from providing merger and acquisition and financial restructuring or capital market advisory services. Investment banking revenue is recognized when the underwriting is completed under terms of the engagement and the income is reasonably determinable and collection is assured. Investment advisory



Notes to Financial Statements
For the Year ended March 31, 2019

1. Organization and significant accounting policies (continued):

fees are recognized as earned over the term of the contract. For the year-ending March 31, 2019 there were no underwriting or advisory revenues recorded.

(d) Income taxes:

The Company is treated as a partnership pass-through to its member/owners who are responsible for reporting their share of profits and losses.

FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), an interpretation of FASB ASC 740 applies to all tax positions accounted for in accordance with FASB ASC 740 and is effective for the Company for the year ended March 31, 2019. The Company has assessed the impact of this standard and determined there is no material impact on its financial condition or results of operations.

The Company accounts for any potential interest or penalties related to future liabilities for unrecognized income tax benefits as interest/other expense. The Company is subject to examination by tax authorities for federal, state or local income taxes for periods beginning October 1, 2017.

(e) Use of estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the year. Actual results could differ from those estimates.

2. Financial instruments:

(a) Concentration of credit risk:

The Company reviews, as considered necessary, the credit standing of the counterparties with which the Company conducts business. The Company's exposure to credit risk associated with counterparties who fail to fulfill their contractual obligations pursuant to securities transactions can be directly impacted by volatile securities markets, credit markets and regulatory changes. Credit risk is the amount of accounting loss the Company would incur if a counterparty failed to perform its obligations under contractual terms.

In addition, the Company's holds cash on deposit at two financial institutions and the balances at times may exceed the federally insured limit. The Company believes it is not exposed to any significant credit risk to cash.



Notes to Financial Statements
For the year ended March 31, 2019

(b) Fair values of financial instruments:

The fair values of financial assets and liabilities approximate their carrying amounts due to their imminent maturity or short-term nature. The Company had no financial instruments of value at March 31, 2019.

3. Deposit segregated pursuant to federal and other regulations:

Rule 15c3-3 of the Securities and Exchange Commission ("SEC") requires cash to be segregated in a special account for the exclusive benefit of customers. Because client account transactions are cleared through another broker-dealer on a fully-disclosed basis, the Company is exempt from the provisions of Rule 15c3-3 pursuant to section (k) (2) (ii) of the Rule therefore no such segregated account existed during the fiscal year.

4. Related Party Transactions:

Through year-end March 31, 2019 The Company reimbursed an indirect owner, Francis G. Mitchell, for travel expenses in the amount of \$2,277 related to the management of the Company.

On May 21, 2018 the Company entered into a three-year subordinated loan agreement with its majority shareholder, Belvedere Capital Holdings, LLC (lender), in the amount of \$250,000 bearing an interest rate of five percent (5%) annually. This subordinate loan agreement has an auto-renewal feature and requires prior written approval from FINRA for any prepayments prior to the scheduled maturity.

On October 8, 2018 the Company entered into a management consulting agreement with a minority shareholder, FGM Capital, LLC for the provision of certain business management services and expertise. Under the terms of this Agreement the Company paid FGM Capital, LLC a total of \$25,500 through March 31, 2019.

On November 1, 2018, the Company commenced a 5-year sub-lease with its majority shareholder, Belvedere Capital Holdings, LLC for the sum of \$5,500 monthly for a Miami branch office.

5. Regulatory net capital requirement:

In the United States of America, as a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule of the SEC ("Rule 15c3-1"), which requires the maintenance of minimum net capital. The Company is required to maintain minimum net capital of \$5,000 or 6 2/3rds% of aggregate indebtedness.

At March 31, 2019, the Company had net capital of \$220,047 or \$215,047 in excess of the required minimum net capital as of that date.



Notes to Financial Statements
For the year ended March 31, 2019

6. Cash and restricted cash:

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the March 31, 2019 statement of financial condition and as reflected in the statement of cash flows:

| | | |
|--|----|---------|
| Cash and cash equivalents | \$ | 18,635 |
| Restricted cash | | 250,885 |
| Total cash, cash equivalents and restricted cash | | 269,519 |

7. Concentrations:

None.

8. Subsequent Events:

On May 2, 2019, FGM Capital, LLC, a shareholder/partner in the Company contributed an additional \$30,000 to the Company for the purpose of increasing operating capital.



Notes to Financial Statements
For the year ended March 31, 2019

SUPPLEMENTARY INFORMATION

Schedule I – Computation of Net Capital and Aggregate Indebtedness under Rule 15c3-1 of the Securities and Exchange Commission March 31, 2019

| | | |
|---|----|----------|
| Total Member Capital (deficit) from statement of financial condition | \$ | (33,314) |
| Liabilities subordinated to claims of general creditors | | 260,417 |
| Less non-allowable assets | | |
| Prepaid expenses | | 7,056 |
| Net capital* | | 220,047 |
| Minimum capital requirement | | 5,000 |
| Excess net capital | \$ | 215,047 |
| Net capital in excess of 10% of aggregate indebtedness or 120% of minimum net capital required | \$ | 214,047 |
| Total non-subordinated liabilities from statement of financial condition | | 49,473 |
| Add market value of items borrowed/unrecorded items | | - |
| Total aggregate indebtedness | \$ | 49,473 |
| Percentage of aggregate indebtedness to net capital | % | 22.48 |

*The above computation does not differ materially from the computation of net capital under SEC Rule 15c3-1 as of March 31, 2019 as filed by the Company on FOCUS Form 17A-5.



Notes to Financial Statements
For the year ended March 31, 2019

SUPPLEMENTARY INFORMATION (cont'd)

Schedule II - Computation for Determination of Reserve Requirements under Rule 15c3-3 of the Securities and Exchange Commission (Expressed in U.S. dollars) March 31, 2019

| | | |
|--|----|---|
| Credit balances in customer's securities account | | |
| Free credit balances | \$ | - |
| Reserve computation | \$ | - |
| Amount of cash held on deposit in "special account for the Exclusive benefit of customers" | \$ | - |

*The above computation does not differ from the computation of reserve requirements under SEC Rule 15c3-3 as of March 31, 2019 and filed by the Company on Form X-17A-5.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
of Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities)

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities) as of March 31, 2019, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities) as of March 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinion

This financial statement is the responsibility of Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities)'s management. Our responsibility is to express an opinion on Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities)'s financial statements 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 Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities) in accordance with the U.S. federal securities law 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 statement of financial condition 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 include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles 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.

RW Group, LLC

We have served as Loewen, Ondaatje, McCutcheon USA, LLC (dba BLV Securities)'s auditor since 2017.

Kennett Square, Pennsylvania
June 10, 2019