



14041186

X-17A-5

7/18/14

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response....	12.00

SEC FILE NUMBER
8-68337

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 January 1, 2013 AND ENDING December 31, 2013
Date Date

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Venovate Marketplace, Inc. (formerly Xpert Securities, Inc.)

OFFICIAL USE ONLY

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

FIRM I.D. NO.

550 Montgomery Street, Suite 750

(No. and Street)

San Francisco

CA

94111

(City)

(State)

(Zip Code)

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

Richard M. Feldman

212-392-4838

(Area Code - Telephone No)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sanville & Company

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

1514 Old York Road

Abington

PA

19001

(Address)

(City)

(State)

(Zip Code)

CHECK ONE

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
JUL - 9 2014
DIVISION OF TRADING & MARKETS

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 (06-02)

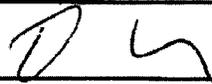
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

00
7/17/14

I, Thomas Foley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Venovate Marketplace, Inc. (formerly Xpert Securities, Inc.) as of December 31, 2013, 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:

**SEE ATTACHED
NOTARY CERTIFICATE**


Signature
President
Title

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.
- (o) Independent Auditors' Report on Internal Accounting Control.

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



State of California
County of San Francisco

Subscribed and sworn to (or affirmed) before me on this 25th
day of February, 2014, by Thomas Foley

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature Phil Smith

VENOVATE MARKETPLACE, INC.
(formerly Xpert Securities, Inc.)

Statement of Financial Condition

December 31, 2013

VENOVATE MARKETPLACE, INC.
(formerly Xpert Securities, Inc.)

CONTENTS:

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENT:	
Statement of Financial Condition	3
Notes to Statement of Financial Condition	4 - 6

Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA
MICHAEL T. BARANOWSKY, CPA
JOHN P. TOWNSEND, CPA

1514 OLD YORK ROAD ABINGTON, PA 19001
(215) 884-8460 • (215) 884-8686 FAX

MEMBERS OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
PENNSYLVANIA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

140 EAST 45TH STREET NEW YORK, NY 10017
(212) 661-3115 • (646) 227-0268 FAX

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Venovate Marketplace, Inc.
(formerly Xpert Securities, Inc.)

Report on the Financial Statements

We have audited the accompanying financial statement of Venovate Marketplace, Inc. –formerly Xpert Securities, Inc. (the “Company”) which comprises the statement of financial condition as of December 31, 2013 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Venovate Marketplace, Inc. –formerly Xpert Securities, Inc. as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.



Abington, Pennsylvania
February 21, 2014

Venovate Marketplace, Inc.
(formerly Xpert Securities, Inc.)

Statement of Financial Condition
December 31, 2013

Assets	
Cash and cash equivalents	\$ 26,074
Prepaid expenses	1,987
Other	1,314
Total Assets	<u>\$ 29,375</u>
Liabilities and Stockholder's Equity	
Liabilities:	
Accounts payable	\$ 2,000
Accrued expenses	720
	<u>2,720</u>
Commitments and Contingencies	
Stockholder's equity	
Common stock	1
Additional paid in capital	2,416,700
Accumulated deficit	(2,390,046)
	<u>26,655</u>
Total Liabilities and Stockholder's Equity	<u>\$ 29,375</u>

See accompanying notes to the statement of financial condition.

VENOVATE MARKETPLACE, INC.
(formerly Xpert Securities, Inc.)

Notes to Statement of Financial Condition
December 31, 2013

1. ORGANIZATION

Venovate Marketplace, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company was incorporated in 2009 in accordance with the laws of the state of Delaware. The Company is in the process of developing an online trading platform that would assist companies in raising capital in two ways: 1) offer securities in the primary market pursuant to SEC Regulation D, and 2) offer securities in the secondary market pursuant to SEC Rule 144A.

During the year ended December 31, 2013, the Company entered into and consummated a transaction whereby all of the shares of the company were sold for its former owner, Xpert Financial, Inc. (the "Former Parent") to its new owner, Venovate Holdings, Inc. (the "Parent") In connection with this transaction, the Company changed its name from Xpert Securities, Inc. to Venovate Marketplace, Inc. in January 2014.

The Company has not generated significant revenues to maintain its operations, and thus has been dependent on the Parent to make capital contributions from time to time to support its operations and to maintain compliance with SEC Rule 15c3-1. The Company will likely continue to depend on the Parent for these capital contributions. The Parent has committed to continue providing the necessary capital to maintain compliance with SEC Rule 15c3-1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting policies and reporting practices of the Company conform to the practices in the broker-dealer industry and are in accordance with accounting principles generally accepted in the United States of America.

Government and Other Regulation

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations, including the SEC and FINRA. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations. As a registered broker dealer, the Company is subject to the SEC's net capital rules (Rule 15c3-1) which require that the Company maintain a minimum net capital, as defined. The Company is exempt from Rule 15c3-3 under (k)(2)(i) as the Company does not hold any customers' funds or securities.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments having original maturities of three months or less at the date of purchase to be cash equivalents. The Company may, during the ordinary course of business, maintain account balances with banks in excess of federally insured limits. The Company has not experienced losses on these accounts, and management believes that the Company is not exposed to significant risks on such accounts.

Use of Estimates

The preparation of the statement financial condition in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at December 31, 2013. The actual outcome of the estimates could differ from the estimates made in the preparation of the statement of financial condition.

Income Taxes

The Company is treated as a Subchapter C corporation for tax purposes. The provision for income taxes includes federal income and various state income and franchise taxes currently payable, and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. Deferred income taxes result primarily from deductions and income recorded on the financial statements but not yet allowable or reportable for income tax purposes.

VENOVATE MARKETPLACE, INC.
(formerly Xpert Securities, Inc.)

Notes to Statement of Financial Condition
December 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

The Company uses the asset and liability method to account for deferred income taxes. The asset and liability method requires the recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is not reasonably assured that some portion or all of the deferred tax assets will be realized.

The Company recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period.

The U.S. Federal jurisdiction and the State of New York are the major tax jurisdictions where the Company files income tax returns. The Company is subject to U.S. Federal or State examinations by tax authorities since its inception.

3. RELATED PARTIES

The Company entered into agreements with its respective parent entities whereby the respective parent supplied office space and shared services in accordance with an intercompany expense sharing agreement. All such amounts were paid to the respective parent entities during the year, and as such, no amounts were due at December 31, 2013.

4. NET CAPITAL REQUIREMENTS

The Company, as a registered broker-dealer, is subject to the Securities and Exchange Commission's Net Capital Rule (Rule 15c3-1), which requires that the Company maintain Net Capital (as defined in the Rule) equal to the greater of \$5,000 or 1500% of Aggregate Indebtedness, (also as defined), and requires that the ratio of Aggregate Indebtedness to net capital shall not exceed 15 to 1. At December 31, 2013, the Company's Net Capital was \$23,354 and the required Net Capital was \$5,000. At December 31, 2013, the Company's ratio of Aggregate Indebtedness to Net Capital was 0.12 to 1.

5. STOCKHOLDER'S EQUITY

As of December 31, 2013, 100 shares of common stock with a par value of \$0.01 per share were authorized, issued and held by the Parent.

6. INCOME TAXES

In assessing the realizability of any resulting deferred tax asset, management considers whether it is more likely than not that some portion of the deferred tax asset will not be materialized. The ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management has determined that a valuation allowance against the deferred tax asset is appropriate in light of the companies operating losses.

The Company has approximately \$2,098,000 in Federal and \$1,981,000 in state net operating loss carry forwards available to offset future taxable income. These carry forwards begin expiring in 2029.

Management has determined that a reserve under ASC 740-10 is not required to be recognized as there are no

VENOVATE MARKETPLACE, INC.
(formerly Xpert Securities, Inc.)

Notes to Statement of Financial Condition
December 31, 2013

significant uncertain tax positions

7. COMMITMENTS AND CONTINGENCIES

The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. As of December 31, 2013 and thru the date of this report there were no such claims.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 21, 2014, which is the date the financial statements were available to be issued.