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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FEB 28 2014

Washington DC
404

SEC FILE NUMBER
8-67304

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 01/01/2013 AND ENDING 12/31/2013
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

G-Trade Services LLC

OFFICIAL USE ONLY

FIRM ID. NO.

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

1633 Broadway, 48th Floor

New York

(No. and Street)

NY

10019

(City)

(State)

(Zip Code)

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

MICHAEL MAESE

(212) 468-7722

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

5 Times Square

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

New York

NY

10036

(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)

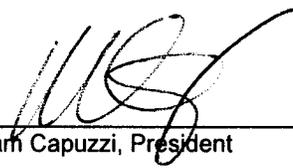
SEC 1410 (06-02)

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3/2/14

OATH OR AFFIRMATION

We, William Capuzzi and Michael Maese, affirm that, to the best of our knowledge and belief the accompanying statement of financial condition pertaining to the firm of G-Trade Services LLC, as of December 31st, 2013, is true and correct. We further 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.



William Capuzzi, President



Michael Maese, Controller



Notary Public

LOUIS DAMIANO
Notary Public, State Of New York
No. 41-5006423
Qualified in Queens County
Certificate Filed in New York County
Commission Expires December 28, 2014

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 or Creditors.
- (g) Computation of Net Capital Pursuant to Rule 15c3-1.
- (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 or 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) Supplementary Report of Independent Registered Public Accounting Firm required by SEC Rule 17a-5(g)(1).

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

STATEMENT OF FINANCIAL CONDITION

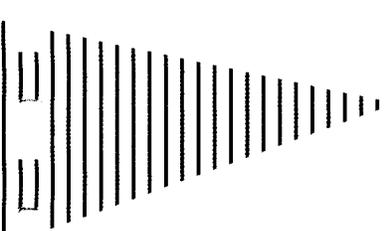
G-Trade Services LLC

December 31, 2013

With Report and Supplementary Report of Independent Registered
Public Accounting Firm

(SEC I.D. No. 8-67304)

Ernst & Young LLP



Building a better
working world

G-Trade Services LLC

Statement of Financial Condition

Year Ended December 31, 2013

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Facing Page and Oath or Affirmation

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Building a better
working world

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Report of Independent Registered Public Accounting Firm

The Member and Board of Managers
G-Trade Services LLC

We have audited the accompanying statement of financial condition of G-Trade Services LLC (the "Company") as of December 31, 2013, and the related notes to the statement of financial condition.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the statement of financial condition in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a statement of financial condition that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

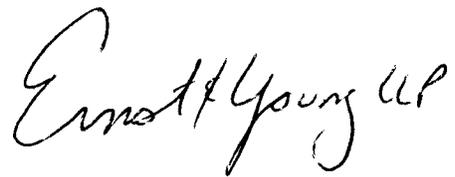
Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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 statement of financial condition 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 statement of financial condition.

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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of G-Trade Services LLC at December 31, 2013, in conformity with U.S. generally accepted accounting principles.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

February 26, 2014

G-Trade Services LLC

Statement of Financial Condition

December 31, 2013

Assets

Cash and cash equivalents	\$ 7,346,150
Deposits with clearing organizations and segregated cash	38,163,951
Receivables from brokers, dealers, and clearing organizations	15,743,523
Receivables from customers, net of allowance of \$58,929	23,604,826
Fixed assets, net of accumulated depreciation and amortization of \$4,386,937	5,188,292
Other assets	801,746
Total assets	<u>\$ 90,848,488</u>

Liabilities and member's equity

Liabilities:

Due to banks	\$ 11,279,837
Payables to brokers, dealers, and clearing organizations	13,258,537
Payables to customers	13,462,464
Due to affiliates	7,931,608
Accrued compensation and other liabilities	7,388,029
Total liabilities	<u>53,320,475</u>

Member's equity	<u>37,528,013</u>
Total liabilities and member's equity	<u>\$ 90,848,488</u>

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

G-Trade Services LLC

Notes to Statement of Financial Condition

December 31, 2013

1. Organization and Description of Business

G-Trade Services LLC (the “Company”) is a registered broker-dealer under the Securities Exchange Act of 1934. The Company is a self-clearing institutional agency brokerage firm that specializes in execution and clearance services in over one hundred international markets for listed equity securities. The Company’s institutional clients include banks, investment managers, hedge funds, pension plan sponsors and broker-dealers. The Company is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). FINRA serves as the Company’s self-regulatory organization.

The Company is a wholly owned subsidiary of ConvergEx Group, LLC (“Group”). ConvergEx Holdings, LLC (“Holdings”) owns 99 percent of the membership interests in Group, while GTCR Golder Rauner, LLC (“GTCR”), a private equity firm, owns the remaining membership interests in Group (together Holdings and Group to be referred to as “ConvergEx”). Holdings is owned by GTCR, the Bank of New York Mellon Corporation (“BNY Mellon”), management, and current and former directors and employees.

2. Significant Accounting Policies

The statement of financial condition has been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) and codified in the Accounting Standards Codification (“ASC”), as set forth by the Financial Accounting Standards Board (“FASB”). Significant accounting policies are as follows:

Use of Estimates

The preparation of the statement of financial condition, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts in the statement of financial condition and the accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

All unrestricted highly liquid investments with initial or remaining maturities of less than 90 days at the time of purchase are considered cash and cash equivalents. These investments typically include demand deposits, money market accounts, and U.S. Treasury bills.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

2. Significant Accounting Policies (continued)

Deposits with Clearing Organizations and Segregated Cash

Under the terms of the agreements between the Company and some of its clearing organizations and banks, balances owed are collateralized by certain of the Company's cash and securities balances (see note 4 for further detail).

Securities Transactions

Receivables from brokers, dealers, and clearing organizations include amounts receivable for fails to deliver, cash deposits for securities borrowed, amounts receivable from clearing organizations, and commissions receivable from broker dealers. The Company typically borrows securities when securities are needed to deliver against a settling transaction, such as a fail to receive or non-standard settlements requested by a customer. Securities borrowed transactions require the Company to deposit cash with the lender, and are recorded at the value of the cash advanced to the lender. The cash advanced to the lender is equal to or greater than the fair value of the securities borrowed. The Company monitors the fair value of the securities borrowed on a regular basis and adjusts the collateral, as appropriate.

Receivables from customers consist of customer fails to deliver and commissions receivable from customers net of allowance for doubtful accounts. Securities held by the Company and intended for settlement against customer orders are held as collateral for customer receivables.

Payables to brokers, dealers, and clearing organizations include amounts payable for fails to receive, amounts payable to clearing organizations on unsettled trades, and rebates payable to brokers, dealers, and clearing organizations.

Payables to customers consist of customer fails to receive.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on the Company's assessment of the collectability of receivables related to securities transactions and other receivables. The Company considers factors such as historical experience, credit quality, age of balances, and current economic conditions that may affect collectability in determining the allowance for doubtful accounts. Changes to the allowance are included in other expenses on the statement of operations.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The carrying amounts reported on the statement of financial condition for cash and cash equivalents and deposits with clearing organizations and segregated cash approximate fair value based on the on-demand nature of cash and the short-term maturity and the daily repricing mechanisms for these instruments. Other financial assets and liabilities with short and intermediate-term maturities and defined settlement amounts, including receivables, payables, and accrued liabilities, are reported at their contractual amounts, which approximate fair value.

Fixed Assets

Fixed assets are reported at cost, net of accumulated depreciation and amortization. Furniture and equipment and computer hardware are depreciated on a straight-line basis over estimated useful lives between three and fifteen years. Purchased software costs are amortized on a straight-line basis over five years. Leasehold improvements are amortized on a straight-line basis over the life of the lease or the improvement, whichever is shorter.

The Company capitalizes certain costs incurred in connection with developing or modifying software for internal use. Qualifying internally developed software costs are capitalized and amortized over the estimated useful life of the software of five years. The Company evaluates internally developed software for impairment whenever changes in circumstances indicate impairment could exist.

Other Assets

Other assets primarily consist of prepaid expenses, interest and dividend receivables, receivable from related parties and other miscellaneous receivables.

Accrued Compensation and Other Liabilities

Accrued compensation and other liabilities primarily consist of accrued employee incentives, other employee benefit expenses, accrued expenses, accounts payable, and other miscellaneous liabilities.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

2. Significant Accounting Policies (continued)

Income Taxes

The Company is a single member limited liability company and, as such, is disregarded for federal, state, and local income tax purposes. The Company has recorded its apportioned share of state and local income taxes, including the New York City unincorporated business tax, pursuant to a tax sharing agreement (“TSA”) between Group and the Company. Group, as the taxpayer of record, is responsible for payment of state and local income taxes to the taxing authorities. The tax provision for the Company has been computed in accordance with the TSA. There is no provision for federal income tax because the Company’s single member, Group, is a partnership for U.S. tax purposes. A partnership is generally not subject to federal, state or local income taxes with the exception of certain unincorporated business taxes and minimum state taxes. For federal and state income tax purposes, the ultimate members of Group are responsible for reporting their allocable share of the Company’s income, gain, losses, deductions and credits on their tax returns. The effective tax rate differs from the statutory rate due to the apportioned amount of income to New York City.

Derivatives

The Company utilizes foreign exchange forward contracts, from time to time, to reduce its exposure to adverse fluctuations in foreign exchange rates. These instruments are recorded at fair value based on industry standard pricing services. Realized gains and losses on these contracts are recorded on a settlement date basis and are included in other income on the statement of operations. Adjustments are made to change to a trade date basis if unrealized gains and losses are significant. As of December 31, 2013, the changes in value of outstanding foreign exchange forward contracts entered into with third parties were not material.

Foreign Currency Gains and Losses

The Company uses the U.S. dollar as its functional currency. Monetary assets and liabilities denominated in foreign currencies are converted into U.S. dollars at exchange rates prevailing at the statement of financial condition date.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

3. Financial Instruments

All financial instruments are measured and reported on a fair value basis. The ASC defines fair value and establishes a framework for measuring fair value, as well as a fair value hierarchy based on inputs used to measure fair value.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Fair Value Hierarchy

Financial assets and liabilities are classified based on inputs used to establish fair value as follows:

Level 1 – Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2 – Valuation inputs are quoted prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets and other valuation techniques utilizing observable inputs directly or indirectly related to the asset or liability being measured.

Level 3 – Valuation techniques utilize inputs that are unobservable and significant to the fair value measurement.

At December 31, 2013, the Company did not own any financial assets or liabilities other than cash and cash equivalents or other assets and liabilities with short and intermediate term maturities and defined settlement amounts. Per the Company's accounting policies (Note 2), the carrying amounts of cash and other assets and liabilities with defined settlement amounts are reported at their contractual amounts, which approximates fair value.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

4. Deposits With Clearing Organizations and Segregated Cash

The Company and Group agreed to deposit a total of \$63,270,923 in deposit accounts with clearing agents that could be used as collateral to offset losses incurred by the clearing agents, on behalf of the Company's activities, if such losses occur. The Company's portion of these deposits is \$37,013,978, which is comprised of cash of \$33,813,978 and a U.S. Treasury bill with a market value of \$3,200,000 and which are classified as deposits with clearing organizations and segregated cash in the statement of financial condition. Separately, Group maintains a balance with a clearing agent that may fluctuate during the year and was \$25,106,972 at December 31, 2013. Group charges the Company a facilitation fee relating to this deposit, the annualized rate at December 31, 2013 was 5.25%.

The Company maintains a segregated bank account when holding customer funds for corporate actions that are not immediately distributed and a segregated bank account to maintain Proprietary Accounts of Introducing Brokers ("PAIB") deposits with correspondent clearing organizations. The balances at December 31, 2013 were \$500,007 and \$649,966 respectively and are included in deposits with clearing organizations and segregated cash in the statement of financial condition.

5. Receivables From and Payables to Brokers, Dealers, and Clearing Organizations

At December 31, 2013, amounts receivable from and payable to brokers, dealers, and clearing organizations include:

Receivables:	
Securities failed to deliver	\$ 13,088,568
Broker-dealers	2,654,955
Total receivables	<u>\$ 15,743,523</u>
Payables:	
Securities failed to receive	\$ 10,204,098
Rebates payable to brokers, dealers, and clearing organizations	1,442,652
Clearing organizations	674,280
Other	937,507
Total payables	<u>\$ 13,258,537</u>

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

5. Receivables From and Payables to Brokers, Dealers, and Clearing Organizations (continued)

All material fail to deliver and fail to receive transactions settled subsequent to December 31, 2013, without any adverse financial effect.

6. Fixed Assets

At December 31, 2013, fixed assets were comprised of:

	At December 31, 2013		
	Acquisition Value	Accumulated Depreciation	Net Book Value
Internally developed software	\$ 5,846,566	\$ (2,033,618)	\$ 3,812,948
Computer hardware	2,751,643	(1,812,117)	939,526
Software	686,849	(408,688)	278,161
Furniture and fixtures	120,917	(36,061)	84,856
Other	169,254	(96,453)	72,801
Total	<u>\$ 9,575,229</u>	<u>\$ (4,386,937)</u>	<u>\$ 5,188,292</u>

The Company capitalized \$1,179,961 of internally developed software costs in 2013. In addition, the Company purchased \$533,110 of internally developed software from Group for development work Group employees performed on behalf of the Company. The Company removed fully depreciated fixed assets totaling \$657,369 during the year.

As of December 31, 2013, there were no assets under capital lease agreements.

7. Related-Party Transactions

The Company provides clearing and execution services of non-U.S. electronic trades to ConvergEx Execution Solutions LLC (“CES”), ConvergEx Ltd. (“CL”), and ConvergEx Prime Services LLC (“CPS”), all wholly owned subsidiaries of Group.

The Company provides and receives certain management, administrative and technical services to and from Group, CES and other affiliates.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

7. Related-Party Transactions (continued)

During 2013, the Company issued an unsecured promissory note to Group whereby the Company could borrow up to \$200,000,000 repayable on an on-demand basis. Interest on each advance shall be at a rate agreed between the parties from time to time. At December 31, 2013, \$5,650,000 was borrowed and included within due to affiliates on the statement of financial condition. The interest rate was fixed at 5.25% during 2013.

The Company utilizes commission management tools and payment processing services from Westminster Research Associates LLC (“WRA”), a wholly owned subsidiary of Group. The Company pays a management fee to WRA as part of the agreement.

Through September 24, 2013, the Company had a clearing agreement with Pershing Securities Limited (“PSL”), an indirect wholly owned subsidiary of BNY Mellon, in which PSL provided execution and clearing services in the United Kingdom for the Company. This arrangement was terminated on September 25, 2013.

The Company has a clearing agreement with Pershing Securities LLC (“Pershing”), an indirect wholly owned subsidiary of BNY Mellon, pursuant to which Pershing performs clearing services for certain transactions for the Company. The agreement has been terminated as of January 14, 2014.

RealTick LLC (“RealTick”) was a wholly owned subsidiary of Group that provided a multi-asset class electronic execution management system (EMS) platform that delivered integrated analysis, execution and evaluation solutions. The Company provided RealTick terminals to certain customers and the RealTick terminals were used to submit orders and effect transactions to the Company.

Eze Castle Transaction Services LLC (“ECTS”) was a wholly owned subsidiary of Eze Castle Software (“Eze LLC”) that provided the Company with financial information exchange (FIX) connectivity services from the Eze Order Management System (“EzeOMS”). The EzeOMS was provided to asset management clients by Eze LLC. The EzeOMS terminals were used by the customers to submit orders and effect transactions through the Company.

Both RealTick and ECTS were sold on April 3, 2013.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

7. Related-Party Transactions (continued)

The Company and several related-party entities under common control are party to an agreement with CES that permits CES to allocate a portion of its New York City lease commitment, which expires August 2015 to each entity, based on the portion that each entity is permitted to use and occupy as determined by CES.

In December 2013, the Company, CES and ConvergEx Global Markets ("CGM"), an affiliate of the Company, were parties to the resolution of an investigation by the SEC; CGM was also a party to the resolution, announced the same day, of the parallel investigation conducted by the Department of Justice. The resolution of these investigations did not have a material impact on the financial position of the Company.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

7. Related-Party Transactions (continued)

The following table sets forth the Company's related party assets and liabilities as of December 31, 2013:

As of December 31, 2013	CES	CL	WRA	BNY Mellon and Subsidiaries	Other Affiliates	Total
Assets						
Receivables from related parties	\$ 301,779	\$ -	\$ -	\$ -	\$ 84,234	\$ 386,013
Deposits with clearing organizations and segregated cash	-	-	-	250,000	-	250,000
Total assets	<u>\$ 301,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 84,234</u>	<u>\$ 636,013</u>
Liabilities						
Due to affiliates	\$ -	\$ -	\$ 40,793	\$ 2,569	\$ 7,890,230	\$ 7,933,592
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,793</u>	<u>\$ 2,569</u>	<u>\$ 7,890,230</u>	<u>\$ 7,933,592</u>

G-Trade Services LLC

Notes to Financial Statement (continued)

8. Regulatory Requirements

The Company is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1). The Company computes net capital under the alternative method, which requires the maintenance of net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debits arising from customer transactions, as defined. At December 31, 2013, the Company had net capital of \$28,613,957 and its excess net capital was \$28,363,957. The Company settles its broker and customer transactions through various settlement agents and accordingly, is exempt from SEC Rule 15c3-3 under provision (k)(2)(i) of the Rule.

Advances to affiliates, dividend payments, distributions and other equity withdrawals are subject to certain notification and other requirements of Rule 15c3-1 and other regulatory bodies.

9. Commitments and Contingencies

In December 2013, the Company and several other ConvergeX entities were named in a lawsuit filed in the United States District Court for the Southern District of New York. The lawsuit is a purported class action brought on behalf of all participants, beneficiaries and named fiduciaries of ERISA plans affected by net trading by ConvergeX Global Markets in Bermuda from 2006 to 2011. The lawsuit alleges breach of fiduciary duty and prohibited transactions under ERISA. The Company believes that it has numerous defenses to these claims and intends to file a motion to dismiss the complaint; consequently, the Company does not believe that this matter presents a probable and reasonably estimable loss contingency at this time.

The Company believes that no actions, other than the matter described above, depart from the customary litigation or regulatory inquiries incidental to its business. On the basis of the Company's current knowledge and understanding, the Company does not believe that judgments or settlements, if any, arising from any other matter, either individually or in the aggregate, will have a material effect on the Company.

10. Deferred Compensation

The Company provides a portion of each executive's and other highly compensated individual's annual bonus as a long-term cash award. Employees vest over 40 months of service, including the year for which the award was granted, and awards are payable at the end of that period. Compensation expense is accrued ratably over that period. As part of the programs, employees can elect to index their deferral to various investment options. Payments to the employees are

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

10. Deferred Compensation (continued)

made on the payment date in the amount of the initial award adjusted by the percentage change in value of any elected investment options. In order to hedge any risk associated with changes in the amounts due to employees upon vesting, Group has purchased investments similar to the elected options.

The plan had no material effect on the Company's financial position in 2013. Based on performance of the employees' elections to date, the Company plans to make payments related to these deferred bonus programs of \$676,527 in 2014, \$706,751 in 2015 and \$747,101 in 2016, respectively. Additionally, the Company granted a leadership award of \$1,000,000 to certain employees in November 2013 that is payable in August 2014, provided the employees remain employed by the Company in good standing.

11. Retirement Savings Plan

All employees of the Company that meet eligibility requirements have the option of participating in the retirement savings plan of ConvergeEx. This plan has two components, a defined contribution profit sharing plan and a 401(k) match program. The Company's retirement savings plan liability recorded in accrued compensation and other liabilities on the statement of financial condition was \$94,350.

12. Off-Balance Sheet Risks

Counterparty Activities and Credit Risk

The Company's customer and correspondent clearance activities involve the execution and settlement of various counterparty securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the counterparty is unable to fulfill its contractual obligations. These activities are generally transacted on a delivery versus payment basis. In delivery versus payment transactions, the Company is exposed to risk of loss in the event of the customers' or brokers' inability to meet the terms of their contracts. In certain "give-up" markets the Company uses local country brokers to both execute and clear trades.

G-Trade Services LLC

Notes to Statement of Financial Condition (continued)

12. Off-Balance Sheet Risks (continued)

The Company's exposure to credit risk can be directly impacted by volatile securities markets, which may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of the customers' and counterparty brokers' financial condition and credit ratings. The Company's credit exposure arising in connection with its executing, settling, and financing security transactions versus its executing brokers is mitigated by the nature of the counterparties in question and the Company's policy of generally requiring receipt of payment upon delivery of securities. In limited circumstances, the Company will settle trades "free-of-payment" where securities and cash are transferred as separate transactions.

In the normal course of business, the Company obtains securities under securities borrowed and resale agreements on terms which permit it to repledge or resell the securities to others.

The Company may maintain cash and cash equivalents at financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to significant credit risks.

One customer accounted for, in aggregate, 8% of revenue for the year ended December 31, 2013.

Clearing Agent Guarantees

The Company uses third party clearing agents to clear and settle trades. Pursuant to the terms of its clearing agreements with these clearing agents, the Company is required to reimburse the clearing agents for any losses incurred resulting from a counterparty failing to satisfy its contractual obligation. The Company seeks to mitigate this risk by assigning and enforcing counterparty credit limits, performing customer credit evaluations, and monitoring trading activity. At December 31, 2013, there were no amounts to be indemnified to these clearing agents pursuant to these agreements.

13. Subsequent Events

There are no capital withdrawals anticipated within the next six months other than normal monthly distributions to Group based on estimated monthly profits. The Company has evaluated all subsequent events through the date of issuance of the statement of financial condition and has determined that no other subsequent events have occurred that would require disclosure in the statement of financial condition or accompanying notes.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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