



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



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

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 01/01/14 and ending 12/31/14

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
X-Change Financial Access LLC

Official Use Only

Firm ID No.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.):
440 South LaSalle Street, Suite 2930

(No. and Street)

Chicago

(City)

Illinois

(State)

60605

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS
REPORT: William Ellington (312) 235-0320

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
DeMarco Sciacotta Wilkens & Dunleavy, LLP

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

6601 N. Avondale, Suite 200

(No. and Street)

Chicago

(City)

Illinois

(State)

60631

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant, not resident in United States or any of its possessions

FOR OFFICIAL USE ONLY

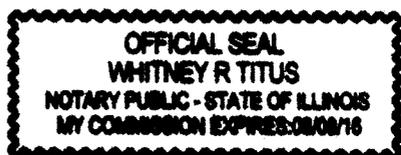
*Claims for exemption from the requirement that the annual report covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2)

PB
3/13/15

OATH OR AFFIRMATION

I, **William Ellington**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of X-Change Financial Access LLC as of December 31, 2014, 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:

None.



Whitney R Titus

Notary Public

[Signature]

Signature

Managing Member
Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 15c-3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3.
- (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 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) Exemption Report.

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

X-CHANGE FINANCIAL ACCESS LLC

STATEMENT OF FINANCIAL CONDITION
AND REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2014

X-CHANGE FINANCIAL ACCESS LLC

STATEMENT OF FINANCIAL CONDITION
AND REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2014



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of
X-Change Financial Access LLC

We have audited the accompanying statement of financial condition of X-Change Financial Access LLC (the Company) as of December 31, 2014, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition. The Company's management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of X-Change Financial Access LLC as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

DeMarco Sciacotta Wilkens & Dunleavy LLP

Chicago, Illinois
February 26, 2015

X-CHANGE FINANCIAL ACCESS LLC
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2014

ASSETS

Cash and cash equivalents	\$ 2,846,387
Cash segregated	5,025,067
Brokerage fees receivable, net of allowance for doubtful accounts of \$30,000	6,381,831
Receivable from clearing organizations	28,604,448
Securities owned, at fair value	201,822
Office furniture and equipment, at cost (net of accumulated depreciation of \$190,142)	-0-
Other assets	<u>450,016</u>
 TOTAL ASSETS	 <u>\$ 43,509,571</u>

LIABILITIES AND MEMBER'S CAPITAL

Liabilities	
Accounts payable and accrued expenses	\$ 1,199,351
Commissions payable	1,972,034
Guaranteed payments payable	1,503,054
Payable to customers - commodities accounts	27,893,100
Payable to non-customers - commodities accounts	<u>2,537,592</u>
 Total Liabilities	 <u>\$ 35,105,131</u>
 Member's Capital	 <u>\$ 8,404,440</u>
 TOTAL LIABILITIES AND MEMBER'S CAPITAL	 <u>\$ 43,509,571</u>

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

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization - X-Change Financial Access, LLC (the "Company"), a limited liability company, was organized in the state of Illinois on April 9, 2001. The Company is owned 100% by XFA Holdings, LLC ("Parent"). The Company is regulated by the Securities and Exchange Commission (SEC), the Chicago Board Options Exchange (CBOE), the National Futures Association (NFA) and the Commodity Futures Trading Commission (CFTC) and is also a member of various other exchanges and trading associations. Its principal business activity is executing securities, commodity futures and options transactions on an agency basis.

Securities Transactions - Brokerage fee income is recorded at the time of the transaction. Commission revenue and related expenses are recognized on a trade-date basis. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer brokerage accounts and the aging of brokerage fees receivable. Bad debts from brokerage fees receivable reduce brokerage fee income on the statement of income.

Concentrations of Credit Risk - The Company is engaged in various brokerage activities in which the counterparties primarily include broker/dealers, banks, other financial institutions and the Company's own customers. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Cash Equivalents - For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

Office Furniture and Equipment - Depreciation of office furniture and equipment is provided using the straight-line method over five and seven year periods.

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - *(Continued)*

Estimates - The preparation of financial statements 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 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.

Subsequent Events - The Company evaluated all significant events or transactions that occurred through the audit report date, the date these financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENT

FASB ASC 820 defines fair value, creates a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 2 - FAIR VALUE MEASUREMENT - *(Continued)*

Securities that trade in active markets and are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency are classified within level 1 of the fair value hierarchy. Exchange-traded commodity contracts typically fall within level 1 or level 2 of the fair value hierarchy depending on whether they are deemed to be actively traded or not. Securities and commodity contracts that are not actively traded and are valued based on quoted prices in markets or broker or dealer quotations are generally classified within level 2 of the fair value hierarchy.

Commodity contracts traded in the options market are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads and measures of volatility. For options that trade in liquid markets where model inputs can generally be verified and model selection does not involve significant management judgment, such instruments are generally classified within level 2 of the fair value hierarchy.

When applicable, the Company offsets certain fair value amounts recognized for cash collateral receivables or payables against fair value amounts recognized for net derivative positions executed with the same counterparty under the same master netting arrangement.

The following table presents the Company's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of December 31, 2014. At December 31, 2014, the Company had no assets or liabilities classified as level 2 or 3.

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 2 - FAIR VALUE MEASUREMENT - (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Receivables - omnibus	\$27,309,753	\$ -0-	\$ -0-	\$27,309,753
Receivables - clearing	1,294,695	-0-	-0-	1,294,695
Securities owned	201,822	-0-	-0-	201,822
Total	<u>\$28,806,270</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$28,806,270</u>
Liabilities				
Payable to customers	\$27,893,100	\$ -0-	\$ -0-	\$27,893,100
Payable to non-customers	2,537,592	-0-	-0-	2,537,592
Total	<u>\$30,430,692</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$30,430,692</u>

No valuation techniques have been applied to all other assets and liabilities included in the statement of financial condition. Due to the nature of these items, all have been recorded at their historical values.

NOTE 3 - CUSTOMER ASSETS SEGREGATED OR HELD IN SEPARATE ACCOUNTS UNDER FEDERAL AND OTHER REGULATIONS

At December 31, 2014, included in the statement of financial condition are customer assets segregated or held in separate accounts under the Commodity Exchange Act, as follows:

Cash	\$ 5,025,067
Net equities with other FCMs	<u>25,065,028</u>
Total	<u>\$ 30,090,095</u>

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 4 - INCOME TAXES

As a single-member limited liability company, income taxes are the responsibility of the Parent.

The Company accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as other expense. The Company is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2011.

NOTE 5 - PROFIT SHARING PLAN

The Company has a deferred compensation and profit sharing plan commonly referred to as a 401(k) plan. All employees 21 years of age and older that have completed one year of service are eligible to participate in the plan. The Company's contribution to the plan for 2014 was \$104,000 and was included in accounts payable and accrued expenses at December 31, 2014.

NOTE 6 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the Chicago Board Options Exchange, the Company is subject to the Uniform Net Capital Rule, which requires the maintenance of minimum net capital, as defined.

In addition, the Company is a futures commission merchant subject to the net capital requirements of the CFTC (Regulation 1.17) and the NFA, and is required to maintain adjusted net capital equivalent to the greater of \$1,000,000 or the sum of 8% of customer and 8% of noncustomer risk maintenance margin requirements on all positions, as these terms are defined.

At December 31, 2014, the Company's net capital and required net capital were \$6,854,151 and \$1,116,309, respectively.

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 7 - RELATED PARTY INFORMATION

The Company is affiliated through common ownership with XFA Global Limited. As of December 31, 2014, the Company owed \$14,731 to XFA Global Limited, which is included with accounts payable and accrued expenses.

NOTE 8 - CLEARING AGREEMENT AND OFF-BALANCE SHEET RISK

On behalf of its customers the Company enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include futures, forward and foreign exchange contracts and exchange-traded and over-the-counter options. In addition, the Company's customers may sell securities that they do not currently own and will therefore be obligated to purchase such securities at a future date.

Since the Company enters into the foregoing transactions involving derivatives and other off-balance sheet financial instruments solely for the benefit of its customers, the Company does not bear any of the credit or market risk of those customers, with the exception of the risk to the Company should its customers fail to honor their obligations related to these derivatives and other off-balance sheet financial instruments, as mentioned below.

In the normal course of business, the Company's customer activities involve the execution of security and commodity transactions on the floor of various security and commodity exchanges. These activities may expose the Company to off-balance-sheet risk in the event the customer or contra broker is unable to fulfill its contracted obligations and the Company must purchase or sell the financial instrument underlying the contract at a loss.

The Company carries commodity futures and commodity option transactions for the account of its customers. All transactions are carried by a Clearing Futures Commission Merchant (Clearing FCM) in omnibus accounts for the Company. As such, the Company guarantees to the respective clearing houses or other brokers its customers' performance under these contracts. In accordance with regulatory requirements and market practice, the Company requires its customers to meet, at a minimum, the margin requirements established by each of the exchanges at which contracts are traded. Exchange-traded financial instruments, such as futures and options, generally do not give rise to significant unsecured counterparty exposure.

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 8 - CLEARING AGREEMENT AND OFF-BALANCE SHEET RISK - *(Continued)*

Risk arising from customer positions in OTC products is managed based on margin requirements equivalent to exchange margins. Margin is a good faith deposit from the customer that reduces risk to the Company of failure by the customer to fulfill obligations under these contracts. To minimize its exposure to risk of loss due to market variation, the Company adjusts these margin requirements as needed. As a result of market variations, the Company may satisfy margin requirements by liquidating certain customer positions. The Company also establishes credit limits for customers and monitors credit compliance daily. Further, the Company seeks to reduce credit risk by entering into netting agreements with customers, which permit receivables and payables with such customers to be offset in the event of a customer default. Management believes that the margin deposits at December 31, 2014 were adequate to minimize the risk of material loss that could be created by positions held at that time.

Pursuant to the aforementioned agreement with the Clearing FCM, the Company is held responsible for any losses arising when customers whose transactions have been forwarded to the Clearing FCM fail to meet their contractual commitments pertaining to the purchase, sale and possible financing of these transactions. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligation and it is necessary for the Clearing FCM to purchase or sell the position at a loss. The Company's exposure to risk would consist of the amount of the loss realized and any additional expenses incurred pertaining to the transaction or other customer activity.

The Company is a member of Options Clearing Corporation (OCC). Pursuant to its agreement with OCC, the Company is required to maintain additional net capital.

X-CHANGE FINANCIAL ACCESS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2014

NOTE 9 - COMMITMENTS

The Company leases its primary business location in Chicago through May 2018. The Company is also subject to its proportionate share of the building's operating expenses.

The Company leases space at another location through September 2016. However, the expense associated with this lease is borne by a profit center operating under the Company's umbrella.

The Company also has an agreement with a remote processor through February 2016.

The future minimum lease payments for the leases, exclusive of additional payments which may be required for certain increases in operating and maintenance costs, are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Totals</u>
2015	\$ 232,780
2016	160,361
2017	138,740
2018	46,625
	<u>\$ 578,506</u>

Rent expense incurred for the year ended December 31, 2014 was \$284,786.