

PUBLIC DOCUMENT



16003555

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

aw

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

FEB 26 2016
Washington DC
403

SEC FILE NUMBER
8-69319

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 01/01/15 AND ENDING 12/31/15
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LXM US LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

134 East 40th Street

New York, N.Y. 10016

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

J. Clarke Gray 212-916-7450

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Fulvio & Associates LLP

5 West 37th Street, N.Y., N.Y. 10018

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

[Empty box for exemption claim]

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 (08-02)

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rw

JG

OATH OR AFFIRMATION

I, J. Clarke Gray, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LXM US LLC, as of December 31, 2015, 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:

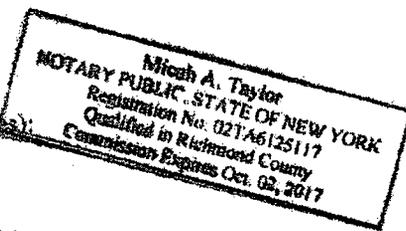
J. Clarke Gray
Signature

CFO

Title

Mich A Taylor

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).

LXM USA LLP
STATEMENT OF FINANCIAL CONDITION
(Filed Pursuant to Rule 17a-5(e)(3) Under the Securities Exchange Act of 1934)
FOR THE YEAR ENDED DECEMBER 31, 2015

LXM USA LLP

CONTENTS

	Page
Independent Auditor's Report	1
Statement of Financial Condition	2
Notes to Financial Statement	3-6

FULVIO & ASSOCIATES, L.L.P.

JOHN FULVIO, CPA
SUSAN E. VAN VELSON, CPA
KENNETH S. WERNER, CPA
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Certified Public Accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
LXM USA LLP:

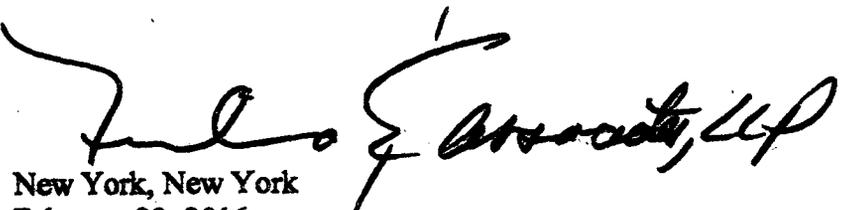
We have audited the accompanying statement of financial condition of LXM USA LLP (the "Company") as of December 31, 2015, and the related notes to the financial statement. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

Auditor's Responsibility

We conducted our audit in accordance with auditing 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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in this financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of this financial statement. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of LXM USA LLP as of December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.


New York, New York
February 22, 2016

LXM USA LLP
Statement of Financial Condition
December 31, 2015

ASSETS

Cash and cash equivalents	\$ 252,729
Due from broker	<u>101,211</u>
TOTAL ASSETS	<u>\$ 353,940</u>

LIABILITIES AND MEMBERS' CAPITAL

Accounts payable and other liabilities	\$ 7,213
Payable to affiliated entity	<u>3,179</u>
Total short term liabilities	10,392

Subordinated debt	<u>175,000</u>
TOTAL LIABILITIES	185,392

Members' Capital	168,548
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TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 353,940</u>
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See notes to financial statements

LXM USA LLP

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

NOTE 1 - ORGANIZATION

LXM USA LLP (the "Company") was incorporated in the State of Delaware as a Limited Liability Partnership ("LLP") on February 15, 2013. The Company's purpose is to carry on a general brokerage and financial business, but more specifically to act as a broker/dealer in marketable securities to its institutional clients. The Company is owned by six individuals who manage a similar business in Europe.

The Company is a registered broker-dealer under the Securities Exchange Act of 1934 with the Securities and Exchange Commission (the "SEC"). The Company is also a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corp ("SIPC"). The Company operates out of its sole office in New York City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

BASIS OF PRESENTATION

The books and records of the Company are kept on the accrual basis and follow trade date accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with GAAP 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. Actual results could differ from these estimates.

CASH AND CASH EQUIVALENTS

The Company has defined cash equivalents as highly liquid investments with original maturities of less than 90 days when purchased which are not held for sale in the ordinary course of business.

LIQUIDITY FINANCE LP

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

INCOME TAXES

The Company is a limited liability partnership and is treated as a pass through entity for income tax reporting purposes. No provision for federal or state income taxes has been made since the Partnership is not a taxable entity. The partners are individually liable for the taxes on their share of the Partnership's income or loss. The Partnership is, however, subject to the New York City Unincorporated Business Tax ("UBT"). Since the Partnership operated at a net loss for the year ended December 31, 2015, there is no provision for UBT for the year.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The tax years that remain subject to examination are 2013 and 2014. The Partnership determined that there are no uncertain tax positions which would require adjustments or disclosures on the financial statements.

The Partnership has a deferred UBT income tax asset of approximately \$47,000 at December 31, 2015 related to the current year net loss and to net operating loss carry forwards. A valuation allowance has been established offsetting the \$47,000 as the ultimate realization of these benefits is uncertain. The Partnership had net operating loss carry forwards of approximately \$1,180,000 as of December 31, 2015, which begin to expire in 2023.

NOTE 3 – DUE FROM BROKER

The amount due from broker at December 31, 2015 includes the required clearing deposit pursuant to the Clearing Agreement.

LIQUIDITY FINANCE LP

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

The Company maintains all of its cash in financial institutions, which cash balances at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not subject to any significant credit risk.

The Company will engage in various investment and brokerage activities on which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event 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 act only as an agent in a transaction and to review the credit standing of each counterparty as necessary.

NOTE 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule ("SEC Rule 15c3-1"), under which the Company is required to maintain a minimum net capital, as defined, of \$250,000. At December 31, 2015, the Company had net capital of \$343,548 which exceeded the required net capital by \$93,548, and a total aggregate indebtedness of \$10,392. The Company's aggregate indebtedness to net capital ratio was approximately .03 to 1 at December 31, 2015.

The Company qualifies under the exemptive provisions of Rule 15c3-3 under subparagraph k(2)(ii) as the Company does not carry security accounts for customers or perform custodial functions related to customer securities.

NOTE 6 - CONTINGENCIES AND COMMITMENTS

There are currently no asserted claims or legal proceedings against the Company, however, the nature of the Company's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Company could have an adverse impact on the financial condition, results of operations, or cash flows of the Company.

The Company had no lease or equipment rental commitments, no underwriting commitments and no contingent liabilities at December 31, 2015 or during the year then ended.

LIQUIDITY FINANCE LP

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

NOTE 7 – RELATED PARTY TRANSACTIONS

SUBORDINATED LIABILITIES

On November 17, 2014 FINRA approved a subordinated for \$100,000 loan agreement between the Company and an entity under common control. The agreement matures on September 9, 2019 and principal and interest payments are due in full on that date. The loan bears interest at 1.89% and approximately \$1,890 has been recognized as interest expense in 2015. The loan is subordinated to all other liabilities of the Company.

On March 31, 2015 FINRA approved a second subordinated loan agreement for \$75,000 between the Company and an entity under common control. The agreement matures on March 31, 2020 and principal and interest payments are due in full on that date. The loan is subordinated to all other liabilities of the Company.

NOTE 8 – GUARANTEES

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The Company has issued no guarantees at December 31, 2015 or during the year ended.

NOTE 9 – SUBSEQUENT EVENTS

The Firm has evaluated subsequent events and no events have been identified which require disclosure