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

Mail Processing

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17(b) of the
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

Washington DC 416

8-69174

REPORT FOR THE PERIOD BEGINNING January 1, 2016 AND ENDING December 31, 2016
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: HGI (USA) Investments LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

708 Third Avenue, 6th Floor

(No. and Street)

New York

New York

10170

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Monroe J Chalmers CPA PC

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

2 Hartsdale St

St James

NY

11780

(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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Handwritten signature

OATH OR AFFIRMATION

I, Simon Arrata, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HGI (USA) Investments LLC, as of December 31, 2016, 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:

[Signature]
Signature

CEO, HGI (USA) Investments, LLC

[Signature]
Notary Public 3/1/17

SILVIA C ALVARADO, HGI (USA) Investments, LLC
Notary Public - State of New York
NO. 01AL6233431
Qualified in Queens County
My Commission Expires Dec 27, 2018

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).

HGI (USA) INVESTMENTS LLC
FINANCIAL STATEMENTS
and
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONTENTS

	Page(s)
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
Financial Statements:	
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Member's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
Supplementary Information:	
Schedule I - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	10
Schedule II - Computation of Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	11
Exemption Report Under Rule 15c3-3	12
Report of Independent Registered Public Accounting Firm	13

HGI (USA) INVESTMENTS LLC

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2016

Assets	
Cash	\$ 316,028
Commissions receivable	26,184
Prepaid expenses and other current assets	<u>15,153</u>
Total assets	<u>\$ 357,365</u>
Liabilities and Member's Equity	
Liabilities	
Accounts payable and accrued expenses	<u>\$ 60,019</u>
Total liabilities	60,019
Member's Equity	<u>297,346</u>
Total liabilities and member's equity	<u>\$ 357,365</u>

The accompanying notes are an integral part of these financial statements.

HGI (USA) INVESTMENTS LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Revenues:		
Commissions		<u>\$ 155,102</u>
	Total revenues	<u>155,102</u>
Expenses:		
Payroll and related		812,461
Rent and occupancy		9,800
Insurance		22,253
Professional fees		315,246
Regulatory, licenses and compliance		13,129
Business promotion		117,859
Office expense		30,726
General and administrative		<u>6,896</u>
	Total expenses	<u>1,328,370</u>
Net loss		<u><u>\$ (1,173,268)</u></u>

The accompanying notes are an integral part of these financial statements.

HGI (USA) INVESTMENTS LLC

**STATEMENT of CHANGES in MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balances, December 31, 2015	\$ 570,614
Capital contributions	900,000
Net loss	<u>(1,173,268)</u>
Balances, December 31, 2016	<u><u>\$ 297,346</u></u>

The accompanying notes are an integral part of these financial statements.

HGI (USA) INVESTMENTS LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash flows provided by operating activities:	
Net loss	\$ (1,173,268)
Adjustments to reconcile net loss to net cash used by operating activities:	
(Increase) in operating assets:	
Commissions receivable	(26,184)
Prepaid expenses and other current assets	(4,843)
Increase in operating liabilities:	
Accounts payable and accrued expenses	<u>37,902</u>
Net cash used by operating activities	<u>(1,166,393)</u>
Cash flows from financing activities:	
Member capital contributions	<u>900,000</u>
Net cash provided by financing activities	<u>900,000</u>
Net decrease in cash and cash equivalents	(266,393)
Cash - beginning of year	<u>582,421</u>
Cash - end of year	<u><u>\$ 316,028</u></u>

The accompanying notes are an integral part of these financial statements.

HGI (USA) INVESTMENTS LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1 – Organization and Nature of Business

HGI (USA) Investments LLC, (the “Company”) is a wholly owned subsidiary of HGI(USA) LLC and a Limited Liability Company formed under the laws of the State of Delaware on August 20, 2012. The Company is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) under Rule 15c3-3(k)(2)(i) and was approved on May 23, 2013 as a member of the Financial Industry Regulatory Authority (“FINRA”). The Company is principally engaged in marketing an intermediate mutual bond fund consisting of fixed income securities of companies and issuers in China and Hong Kong.

The Company, under Rule 15c3-3(k)(2)(i), is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts.

Note 2 - Summary of Significant Accounting Policies

Commission Income and Revenue Recognition

Commission income related to the service and maintenance of accounts held with mutual fund companies is recognized when earned. Such commission income is based on the amount of assets within the mutual fund company attributable to the Company’s placement and sales activities.

Receivable from Commissions

Commissions receivable are generally collected in full in the month following their accrual. As such, management has not recorded an allowance for doubtful accounts on these receivables. Management records an allowance for bad debts based on a collectability review of specific accounts. Any receivables deemed uncollectible are written off against the allowance.

Cash and Cash Equivalents

The Company considers all highly liquid assets purchased with a maturity of three months or less to be cash equivalents.

Use of 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.

HGI (USA) INVESTMENTS LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 2 – Summary of Significant Accounting Policies (continued)

Fair Value Measurement

The Financial Accounting Standards Board issued FASB ASC 820 (Accounting Standards Codification 820, "Fair Value Measurements and Disclosures") defines fair value, establishes 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 Company does not hold any positions besides cash as of December 31, 2016.

Note 3 – Net Capital and Minimum Capital Requirements

Pursuant to the net capital provisions of rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2016, the Company had net capital and net capital requirements of \$256,009 and \$5,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was .23 to 1. According to rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

Note 4 - Liabilities Subordinated to Claims of General Creditors

There were no liabilities subordinated to claims of general creditors at December 31, 2016.

Note 5 – Related Party Transactions

The Company receives a monthly fee based commission, which is their portion of the management fee based on the net asset value of the underlying mutual fund. This fee is paid to the Company by Harvest Global Investments, the parent of the Company's parent. Of the 2016 commission revenue earned by the Company, \$26,184 remained as receivable by the Company at December 31, 2016.

HGI (USA) INVESTMENTS LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 6 – Concentration of Credit Risk

The Company has entered into agreements with several investment managers. Currently, the Company receives a fee-based commission based on the net asset value of the underlying mutual fund. The Company currently is only receiving commissions from one mutual fund.

The Company maintains cash balances at one financial institution that at times may exceed the amount covered by insurance provided by the Federal Deposit Insurance Corporation. At December 31, 2016 the Company's balances exceeded the insured limit by approximately \$90,000.

Note 7 – Financial Instruments, Off-Balance Sheet Risks and Uncertainties

The Company's financial instruments, including cash, receivables, other assets and payables are carried at amounts that approximate fair value due to the short-term nature of those instruments.

The mutual fund pays the Company fee-based commission based on the net asset value of the underlying mutual fund. In the event the Company does not satisfy its terms, the agreement may result in termination.

There exists an investment risk that revenues may be significantly influenced by market conditions, such as volatility, resulting in investor-placed funds losing value. If the markets should move against positions held by the mutual fund, and if the mutual fund is not able to offset such losses, the mutual fund could lose all of its assets. The Company would, therefore, lose its sole source of income.

Note 8 – Commitments and Contingencies

The Company may from time to time be involved in various legal actions arising in the normal course of business. In the opinion of management, the Company's liability, if any, in these pending actions would not have a material adverse effect on the financial positions of the Company. The Company's general and administrative expenses would include amounts incurred to resolve claims made against the Company. For the year ended and as of December 31, 2016, the Company is not involved in any legal actions, arbitration claims or guarantees that might result in a loss or future obligation.

The Company leases its New York City office space on a month to month basis for \$800 per month, increased to \$900 per month starting November 2016. Rent expense for the year ended December 31, 2016 totaled \$9,800.

HGI (USA) INVESTMENTS LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 9 – Income taxes

The Company is a single member limited liability company and as such, is treated as a disregarded entity for tax purposes. The Company's parent entity submits a local tax return that includes the taxable results of the Company and other entities of the parent entity. The parent entity assumes the liability for the Company's local income tax. Payment of this tax is remitted directly by the parent entity. During the year ended December 31, 2016, the Company incurred a taxable loss as determined under the tax basis of accounting utilized by the parent entity, accordingly no provision for income taxes is recorded in the financial statements of the Company as of December 31, 2016.

Uncertain tax positions - The Company adopted the provisions of "*Accounting for Uncertainty in Income Taxes*" which prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under *Accounting for Uncertainty in Income Taxes*, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Company has evaluated its tax positions for the year ended December 31, 2016, and does not expect a material adjustment to be made. The Company is subject to routine audits by taxing jurisdictions; however there are currently no audits in progress.

Note 10 – Subsequent Review

The Company has performed an evaluation of subsequent events through February 28, 2017 which is the date the financial statements were available to be issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

SUPPLEMENTARY INFORMATION

SCHEDULE I

HGI (USA) INVESTMENTS LLC

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION**

AS OF DECEMBER 31, 2016

Allowable capital:	
Total member's equity	<u>\$ 297,346</u>
Less non-allowable assets:	
Commissions receivable	26,184
Prepaid expenses and other current assets	<u>15,153</u>
Total non-allowable assets	<u>41,337</u>
Net capital before haircuts on securities	256,009
Haircuts on securities	<u>-</u>
Net capital	<u>\$ 256,009</u>
Aggregate indebtedness	<u>\$ 60,019</u>
Minimum net capital required (the greater of \$5,000 or 6 2/3% of aggregated indebtedness)	<u>\$ 5,000</u>
Excess net capital	<u>\$ 251,009</u>
Ratio: Aggregate indebtedness to net capital	<u>.2344 to 1</u>

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing.

SCHEDULE II

HGI (USA) INVESTMENTS LLC

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

AS OF DECEMBER 31, 2016

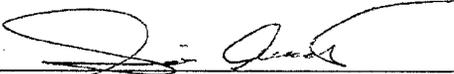
**SECURITIES AND EXCHANGE COMMISSION
EXEMPTION UNDER SECTION (k)(2)(i) IS CLAIMED:**

The Company operates under the exemptive provisions of Paragraph (k)(2)(i) of SEC rule 15c3-3. Special Account for the Exclusive Benefit of customers maintained if applicable.

HGI (USA) INVESTMENTS LLC
EXEMPTION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

HGI (USA) Investments LLC (the "Company") is a registered broker dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17C.F.R. & 240.17.17a-5, "Reports to be made by certain broker dealers"). This Exemption Report was prepared as required by 17 C.F.R. & 240-17a-5(d)(1) and (4). To the best of its knowledge and belief for the year ended December 31, 2016, the Company states the following:

- (1) The Company has identified the provisions in paragraph (k) of SEC Rule 15c3-3 (the "exemption provisions") under which HGI(USA) Investments LLC claimed an exemption from SEC Rule 15c3-3 as (k)(2)(i); and
- (2) The Company met the identified exemption provision throughout the most recent fiscal year without exception.

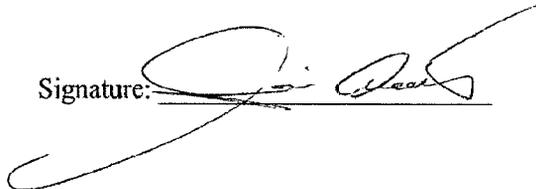


Simon Arrata

HGI (USA) Investments LLC

I, Simon Arrata, affirm that, to my best knowledge and belief, the exemption report is true and correct.

By: Simon Arrata
Chief Executive Officer

Signature: 



MONROE J. CHALMERS CPA, P.C.

2017 Annual Report
St. James, NY 11780
www.monroechalmers.com
monroechalmers.com
(516) 261-1111

Report of Independent Registered Public Accounting Firm

The Member of
HGI (USA) Investments LLC

I have reviewed management's statements, included in the accompanying exemption report, in which (1) HGI (USA) Investments LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which HGI (USA) Investments LLC claimed an exemption from 17 C.F.R. § 240.15c3-3:(k)(2)(i) and (2) HGI (USA) Investments LLC stated that HGI (USA) Investments LLC met the identified exemption provisions throughout the most recent fiscal year without exception. HGI (USA) Investments LLC management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about HGI (USA) Investments LLC compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph(k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Monroe J Chalmers CPA PC

St. James, New York
February 28, 2017