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**PUBLIC TREATMENT REQUESTED**

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| QMB APPROVAL   |
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UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
 Washington, D.C. 20549

SEC  
 Mail Processing  
 Section  
 APR 12 2018  
 Washington DC  
 406

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

|                 |
|-----------------|
| SEC FILE NUMBER |
| <b>8-65351</b>  |

**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, 2017 AND ENDING DECEMBER 31, 2017  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER: **CIM SECURITIES, LLC**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**6898 S. UNIVERSITY BLVD, SUITE 270**  
(No. and Street)

**CENTENNIAL** **CO** **80122**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**SINH LY** **303-874-7473**  
(Area Code - Telephone No.)

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO.      |

**B. ACCOUNTANT DESIGNATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**OHAB AND COMPANY, PA**  
(Name - if individual, state last, first, middle name)

**100 E. SYBELIA AVENUE, SUITE 130, MAITLAND** **FLORIDA** **32751**  
(Address and 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 audit 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 required to respond unless the form displays a current valid OMB control number.

RMS

OATH OR AFFIRMATION

I, SINH LY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm or CIM SECURITIES, LLC, as of DECEMBER 31, 2017 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Angela R Desautell  
Public Notary

[Signature]  
Signature

CCO  
Title

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 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 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 15c3-1.
- (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).



# **Ohab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

*Certified Public Accountants*  
Email: [pam@ohabco.com](mailto:pam@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members  
of CIM Securities, LLC

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of CIM Securities, LLC as of December 31, 2017, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of CIM Securities, LLC as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

This financial statement is the responsibility of CIM Securities, LLC's management. Our responsibility is to express an opinion on CIM Securities, LLC's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to CIM Securities, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

*Ohab and Company, PA*  
Ohab and Company, PA

We have served as CIM Securities, LLC's auditor since 2015.

Maitland, Florida

April 11, 2018

**CIM SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
AS OF DECEMBER 31, 2017**

**ASSETS**

**Assets**

|                           |                                 |
|---------------------------|---------------------------------|
| Cash and cash equivalents | \$ 709,806                      |
| Clearing deposit          | 104,369                         |
| Commissions receivable    | 5,601                           |
| Prepaid expenses          | <u>22,045</u>                   |
| <b>Total assets</b>       | <b><u><u>\$ 841,821</u></u></b> |

**LIABILITIES AND MEMBER'S EQUITY**

**Liabilities**

|                                  |               |
|----------------------------------|---------------|
| Accounts payable                 | \$ 2,900      |
| Accrued expenses - related party | 477,591       |
| Commissions payable              | <u>15,390</u> |
| <b>Total liabilities</b>         | 495,881       |

**Member's Equity**

|  |                                 |
|--|---------------------------------|
| Member's equity                              | <u>\$ 345,940</u>               |
| <b>Total liabilities and member's equity</b> | <b><u><u>\$ 841,821</u></u></b> |

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

## CIM SECURITIES, LLC

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization and business**

CIM Securities, LLC (the “Company”) was formed on April 1, 2002, pursuant to the laws of the State of Colorado. The Company is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, Inc. CIM Securities, LLC is a wholly owned subsidiary of Choice Investment Management LLC (the “Parent”). The Company is engaged in investment banking for which it raises funding for private placements as well as placement of public securities for which it receives a fee. Additionally, the Company receives commission from securities transactions as well as mutual fund, 12b-1 fees, and variable annuity trails. The Company operates a New York City branch office which is a registered OSJ and does business under the name Brookline Capital Markets, LLC (“BCM”).

##### **Cash and Cash Equivalent**

For purposes of reporting cash flows, the company considers cash and operating bank accounts, cash on hand, demand deposits, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

##### **Revenue Recognition**

The Company recognizes revenue of the investment banking fees when they are earned in accordance with the terms of the service agreement with its clients. This occurs when the Company has provided all services and has no further obligation under the agreement, which for investment banking activities typically occurs when the transactions relating to the agreement has consummated.

Fees from securities transactions, mutual funds, 12b-1, and variable annuity trails are recognized at the trade date.

##### **Agreement with clearing broker**

The Company, under Rule 15c3-3(k)(2)(ii), 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. Accordingly, all customer transactions are executed and cleared on behalf of the Company by its clearing broker on a fully disclosed basis. The Company’s agreement with its clearing broker provides that as clearing broker, that firm will make and keep such records of the transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities and Exchange Act of 1934, as amended (the “Act”). It also performs all services customarily incident thereto, including the preparation and distribution of customers’ confirmations and statements and maintenance margin requirements under the Act and the rules of the Self Regulatory Organizations of which the Company is a member.

**CIM SECURITIES, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - ORGANIZATION AND SUMMARY OF 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.

**Income taxes**

The Company is recognized as a limited liability company by the Internal Revenue Service. The Company's member is liable for federal and state income taxes on its taxable income.

The Company is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. The Company files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states. The Company is not subject to income tax return examinations by major taxing authorities for years before 2014. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Company recording a tax liability that reduces net assets. However, the Company's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Company recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income taxes payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended December 31, 2017.

**NOTE 2 - NET 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, 2017, the Company had net capital and net capital requirements of \$323,054 and \$100,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 1.53 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

Pursuant to an agreement with the Company's New York branch office BCM (registered as an OSJ), the Company pays out revenue to the office according to a schedule based on total net commissions

**CIM SECURITIES, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - RELATED PARTY TRANSACTIONS (continued)**

generated by the office which is included in the expense "Commission sharing NY OSJ." According to the agreement the branch office is responsible for their own expenses such as rent, utilities, supplies, and representative commissions. In accordance with the agreement the Company can pay out commissions directly to registered representatives as directed by the branch office. The Company paid registered representatives of the branch office directly in amount of \$2,454,655 for the year ending December 31, 2017. This amount reduces the revenue payout due to the office. The branch office was due \$477,591 at December 31, 2017, which is included as a liability.

**NOTE 4 - LEASE AGREEMENT**

Commencing November 1, 2017 the Company leased an office facility from an unrelated party under a noncancellable operating lease, which expires October 31, 2019. The lease calls for monthly payment of \$1,500 through the term of the lease. The total rent expense incurred for the lease with the unrelated party for the year ended December 31, 2017 was \$18,000.

Minimum lease payments under the lease are as follow:

| Period                       | Amount      |
|------------------------------|-------------|
| 12 Month Ended Dec. 31, 2018 | \$18,000.00 |
| 10 Month Ended Dec. 31, 2019 | \$15,000.00 |

**NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISK AND CONTINGENCIES**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event that 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 with which it conducts business.

The Company bears the risk of financial failure by its clearing broker. If the clearing broker should cease doing business, the Company's receivable from this clearing broker could be subject to forfeiture.

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

**CIM SECURITIES, LLC**

**NOTES TO FINANCIAL STATEMENTS**

***NOTE 6 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS***

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in accounting principles generally accepted in the United States of America (US GAAP) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2017. The adoption of this ASU is not expected to have a material effect on the Company's financial statement.

In February 2016, the FASB issued ASU 2016-2, *Leases – (Topic 842)*. ASU 2016-02 will require the recognition of lease assets and lease liabilities on the balance sheet related to the rights and obligations created by lease agreements, including for those leases classified as operating leases under previous GAAP, along with the disclosure of key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. Early application is permitted. The Company has not evaluated the impact this new standard will have on its financial position and results of operations.

***NOTE 7 - COMMITMENTS AND CONTINGENCIES***

The Company has no commitments or contingencies at December 31, 2017 that could affect the financial statements.

***NOTE 8 - SUBSEQUENT EVENTS***

The Company has performed an evaluation of subsequent events through the date the financial statements were issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.