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

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**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 11/1/2018 AND ENDING 10/31/2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SYMPHONIC SECURITIES LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

400 PARK AVE

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

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

MITCHELL CEPLER

212-702-3581

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

MOSS ADAMS LLP

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

14555 DALLAS PARKWAY

DALLAS

TX

75254

(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).

Securities and Exchange Commission  
Trading and Markets

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OATH OR AFFIRMATION

I, MITCHELL CEPLER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SYMPHONIC SECURITIES LLC, as of

31-Oct 20 19, 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

Gregg Robert Glaquinto
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02G16176034
Qualified in Suffolk County
Commission Expires November 19, 2023

[Handwritten signature of Notary Public]

Notary Public

12/20/19

[Handwritten signature of Mitchell Cepler]

Signature

GROUP FINANCE MANAGER
Title

Gregg Robert Glaquinto
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02G16176034
Qualified in Suffolk County
Commission Expires November 19, 2023

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 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.
(o) Management statement regarding compliance with the exemption provisions for SEC Rule 15c3-3.
(p) Report of Independent Registered Public Accounting Firm Regarding Rule 15c3-3 Exemption Report.

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

# **SYMPHONIC SECURITIES LLC**

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MOSSADAMS

## **Report of Independent Registered Public Accounting Firm**

To the Member  
Symphonic Securities LLC

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

We have audited the accompanying statement of financial condition of Symphonic Securities LLC (the Company) as of October 31, 2019 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes (the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of October 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company 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 to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

*Moss Adams LLP*

Dallas, Texas  
December 20, 2019

We have served as the Company's auditor since 2016.

**SYMPHONIC SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
October 31, 2019

**ASSETS**

Cash and cash equivalents	\$ 75,940
Receivables from clients, and brokers or dealers	385,635
Other assets	<u>4,998</u>
 Total assets	 <u><u>\$ 466,573</u></u>

**LIABILITIES AND MEMBER'S EQUITY**

Accrued expenses and other payables	\$ 38,468
Payable to affiliates	<u>436</u>
 Total liabilities	 <u>38,904</u>
 Member's equity	 <u>427,669</u>
 Total liabilities and member's equity	 <u><u>\$ 466,573</u></u>

## SYMPHONIC SECURITIES LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

October 31, 2019

#### NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

##### General

Symphonic Securities LLC (the "Company"), a Delaware limited liability company, is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly-owned subsidiary of City National Rochdale Holdings LLC ("CNRH" or the "Parent"). CNRH is a wholly-owned subsidiary of City National Bank (the "Bank"). City National Bank is a wholly-owned subsidiary of RBC USA Holdco Corporation, which is wholly-owned by the Royal Bank of Canada.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 year. Actual results could differ from those estimates.

##### Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and money market deposits. Cash held in banks periodically exceeds the Federal Deposit Insurance Corporation's (FDIC) insurance coverage of \$250,000, and as a result there is a concentration of credit risk related to the amount in excess of FDIC insurance coverage.

##### Securities Owned

Marketable securities (both long and short positions) are valued at fair value with resulting gains and losses reflected in net income for the year. At October 31, 2019, the Company did not hold any investment securities.

##### Receivables from Clients, and Brokers or Dealers

Commissions earned are deposited directly into the Company's accounts by the clearing firm upon settlement of the trade. Accordingly, no allowance for doubtful accounts has been recorded. The Company had receivables of \$103,304 as of October 31, 2018.

##### Revenue Recognition

The Company records commissions earned on securities transactions on a trade-date basis. In addition, realized gains and losses on the sale of investment securities are recorded on a trade-date basis. The Company records sales fees and rebates on an accrual basis.

# SYMPHONIC SECURITIES LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION

October 31, 2019

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

On November 1, 2018, the Company adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 606) – Revenue from Contracts with Customers. The adoption of FASB ASC 606 had no impact on opening retained earnings.

The Company recognizes revenue within the scope of FASB ASC 606 to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The five step revenue model is applied when recognizing revenue: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

Performance obligations for customer contracts are generally satisfied over time or at a single point in time, typically, when the transaction is complete and the customer has received the goods or service. Services provided over a period of time are typically transferred to customers evenly over the term of the contracts and revenue is recognized evenly over the period services are provided. Payment terms vary by services offered, and the time between completion of performance obligations and payment is typically not significant.

#### Income Taxes

The Company is a single member limited liability company and is considered a disregarded entity for federal and state income tax reporting purposes. Therefore, the Company's assets, liabilities, income and expenses will be reported on the Parent's income tax return.

The Company applies Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 740-10) relating to accounting for uncertain tax positions. FASB ASC 740-10 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Company does not have any uncertain tax positions. Generally, the Company is subject to examination by U.S. Federal (or state and local) income tax authorities for the fiscal year ended October 31, 2017, fiscal year ended October 31, 2018, and fiscal year ended October 31, 2019.

#### Credit and Off-Balance-Sheet Risk

In the normal course of business, the Company is involved in the execution of various securities transactions for its customer accounts. Securities transactions are subject to the risk of counterparty or customer nonperformance. However, transactions are collateralized by the underlying security, thereby reducing the associated risk to changes in the fair value of the security through the settlement date or to the extent of margin balances. The settlement of these transactions is not expected to have a material effect on the Company's financial condition or results of operation.

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At October 31, 2019, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware, of any potential losses relating to this indemnification.

## SYMPHONIC SECURITIES LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

October 31, 2019

#### NOTE 3 - FAIR VALUE MEASUREMENTS

Accounting Standards Codification No. 820, *Fair Value Measurements* ("ASC 820"), 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 in accordance with professional standards, are used to measure fair value.

Level 1 - Pricing inputs are unadjusted, quoted prices available in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 - Pricing inputs are quoted prices for similar investments, or inputs that are observable for the asset or liability either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 - Pricing inputs are unobservable for the asset or liability and rely on management's own assumptions. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

#### NOTE 4 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital (Rule 15c3-1) and is required to maintain minimum net capital, equivalent to \$50,000. As of October 31, 2019, the Company's net capital was \$421,152, which was \$371,152 in excess of its minimum requirement of \$50,000. The Company's aggregate indebtedness to net capital ratio was .0924 to 1.

#### NOTE 5 - RELATED PARTIES

The Company and its Parent are under common control and the existence of that control creates operating results and financial positions significantly different than if the companies were autonomous.

The Company utilizes space, personnel and other services and overhead which are incurred by affiliated companies. These services, totaling \$212,778, were transacted in the normal course of business and were recorded as specific expenses in the period provided. Pershing charges incurred by the Company were reimbursed by Symphonic Financial Advisors, LLC, an affiliated company.

Frequently throughout the year, transfers of working capital are made between the Company and affiliated companies. These affiliated companies are under common control and are wholly-owned by CNRH. As such, payables related to working capital transfers, amounting to \$436, at October 31, 2019 may be considered distributions to the Company's solemember or converted to capital at the discretion of management.

## SYMPHONIC SECURITIES LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

October 31, 2019

#### NOTE 6 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue accounted for under ASC 606, Revenue from Contracts with Customers, primarily consist of 12b1 and mutual fund fees.

The 12b-1 fees are intended to compensate brokers and others who sell fund shares to pay for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. 12b-1 fees are first payable to the Distributor, SEI Investments Distribution Company, and then CNR Securities, the sub-distributor, and then distributed to various broker dealers (ie Symphonic Securities) based on entity client holdings. 12b-1 fees are calculated as a percentage of the average net assets of each Fund and range from an annual rate of 0.25% to 0.50% and are payable monthly based on the average daily net assets of the Funds. Total revenue for 12b-1 fees is \$65,970, which is the Sales fees and other revenues line on the income statement. The Sales fees and other revenues line also includes misc income.

Mutual funds comprised of three sub-revenue types: 1) variable annuity, 2) variable universal life, and 3) investment advisory fees (ie IRA). Commissions are charged to clients and clients pay the insurance / investment company. The insurance / investment company then pays SS. Commissions are recognized on trade date. The commission charged varies based on agreed upon rates. Total revenue for mutual fund fees is \$281,429, which is the commissions and sales fees line on the income statement.