



SI

19011316

| OMB APPROVAL                                     |                 |
|--|-----------------|
| OMB Number:                                      | 3235-0123       |
| Expires:   | August 31, 2020 |
| Estimated average burden hours per response..... | 12.00           |

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

AUG 27 2019

| SEC FILE NUMBER |
|-----------------|
| B-69938         |

**Washington, DC** 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 03/29/18 AND ENDING 06/30/19  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **DALZELL TRADING, LLC**

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

**20 MAIN STREET, SUITE 203A**

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO.     |

**NATICK**

(No. and Street)

**MA**

**01760**

(City)

(State)

(Zip Code)

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

**MONIQUE ROMERO**

(212) 668-8700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**WITHUM SMITH & BROWN, PC**

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

**155 SEAPORT BLVD**

**BOSTON**

**MA**

**02210**

(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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

RMS ✓

OATH OR AFFIRMATION

I, David Datzell, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DALZELL TRADING, LLC of JUNE 30, 2019, 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

Principal, CCO Title

[Signature] 8/23/19 Notary Public [Seal]

MATTHEW FARREN Notary Public Commonwealth of Massachusetts My Commission Expires Aug. 10, 2023

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).

**Dalzell Trading, LLC**

**Report on Audit of Financial Statements  
and Supplemental Information**

**For the period from March 29, 2018 (date of registration) through June 30, 2019**

**Dalzell Trading, LLC**

---

|  | <u>Page</u> |
|--|-------------|
| <b>Contents</b>  |             |
| For the period from March 29, 2018 (date of registration) through June 30, 2019  |             |
| Report of Independent Registered Public Accounting Firm  | 1           |
| <b>Financial Statements</b>  |             |
| 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 - 8       |
| <b>Supplemental Information</b>  |             |
| Schedule I - Computation of Net Capital Under Rule 15c3-1<br>of the Securities and Exchange Commission                                       | 9           |
| Schedule II - Computation for Determination of Reserve Requirements under Rule 15c3-3<br>of the Securities and Exchange Commission           | 10          |
| Schedule III - Information Relating to the Possession or Control Requirements under Rule 15c3-3<br>of the Securities and Exchange Commission | 10          |
| <b>Report of Independent Registered Public Accounting Firm Regarding Rule 15c3-3 Exemption Report</b>  | 11          |
| Rule 15c3-3 Exemption Report   | 11          |

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Managing Member of  
Dalzell Trading, LLC

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Dalzell Trading, LLC (the "Company"), as of June 30, 2019, the related statements of operations, changes in member's equity and cash flows for the period from March 29, 2018 (date of registration) through June 30, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2019, and the results of its operations and its cash flows for the period from March 29, 2018 (date of registration) through June 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 statements are 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 statements, 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.

**Supplemental Information**

The supplemental information, Schedule I, Schedule II, and Schedule III, has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information.

In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*WithumSmith+Brown, PC*

We have served as the Company's auditor since 2019.

New York, New York

August 23, 2019

**Datzell Trading, LLC**  
**Statement of Financial Condition**  
**June 30, 2019**

**Assets**

**Assets:**

|   |                   |
|---|-------------------|
| Cash                                    | \$ 82,440         |
| Commission Receivable - Clearing Broker | 62,550            |
| Clearing Deposit                        | 200,000           |
| Prepaid Expenses                        | 2,346             |
| Employee Loan                           | 24,000            |
| Other Assets                            | <u>1,282</u>      |
| <b>Total Assets</b>                     | <b>\$ 372,618</b> |

**Liabilities and Member's Equity**

**Liabilities:**

|                             |                |
|-----------------------------|----------------|
| Accounts Payable            | \$ 136,427     |
| Accrued Commissions Payable | <u>4,678</u>   |
| <b>Total Liabilities</b>    | <b>141,105</b> |

**Member's Equity**

|  |                   |
|--|-------------------|
| <b>Total Liabilities and Member's Equity</b> | <b>\$ 372,618</b> |
|--|-------------------|

The accompanying notes are an integral part of these financial statements  
This report is deemed Confidential in accordance with Rule 17a5-(c)(3) under the Securities Exchange Act of 1934.

**Dalzell Trading, LLC**

**Statement of Operations**

For the period from March 29, 2018 (date of registration) through June 30, 2019

|                                  |                            |
|----------------------------------|----------------------------|
| <b>Revenue:</b>                  |                            |
| Commissions                      | \$ 1,063,569               |
| Advisory Fee Income              | 20,188                     |
| Other Income                     | <u>90</u>                  |
| <b>Total Revenue</b>             | <b>1,083,847</b>           |
| <b>Operating Expenses:</b>       |                            |
| Commission Expense               | 713,700                    |
| Professional Fees                | 100,667                    |
| Clearance Charges                | 121,083                    |
| Data Services                    | 114,909                    |
| Salary Expense and Related Costs | 98,317                     |
| Office and Other Expense         | 18,085                     |
| Occupancy Costs                  | 17,520                     |
| Depreciation Expense             | 13,879                     |
| Regulatory Fees                  | 12,873                     |
| Travel and Entertainment         | 12,244                     |
| Telephone Expense                | 9,295                      |
| Dues and Subscriptions           | 5,946                      |
| Insurance Expense                | <u>2,042</u>               |
| <b>Total Operating Expenses</b>  | <b><u>1,240,560</u></b>    |
| <b>Net Loss</b>                  | <b><u>\$ (156,713)</u></b> |

The accompanying notes are an integral part of these financial statements

This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

**Dalzell Trading, LLC**

**Statement of Changes in Member's Equity**

**For the period from March 29, 2018 (date of registration) through June 30, 2019**

|   |                          |
|---|--------------------------|
| <b>Balance, March 29, 2018 (date of registration)</b> | <b>\$ 283,226</b>        |
| Capital Contributions                                 | 105,000                  |
| Net Loss  | <u>(156,713)</u>         |
| <b>Balance, June 30, 2019</b>                         | <b><u>\$ 231,513</u></b> |

The accompanying notes are an integral part of these financial statements

This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

---

---

**Dalzell Trading, LLC**

**Statement of Cash Flows**

**For the period from March 29, 2018 (date of registration) through June 30, 2019**

|   |                         |
|---|-------------------------|
| <b>Cash Flows from Operating Activities:</b>                                  |                         |
| Net loss  | \$ (156,713)            |
| Depreciation expense  | 13,879                  |
| Adjustments to reconcile net income to net cash used in operating activities: |                         |
| Changes in operating assets and liabilities:                                  |                         |
| Increase in commission receivable - clearing broker                           | (62,550)                |
| Increase in clearing deposit  | (200,000)               |
| Increase in prepaid expenses  | (2,346)                 |
| Increase in employee loan   | (24,000)                |
| Increase in other assets  | (716)                   |
| Increase in accounts payable  | 128,749                 |
| Increase in accrued commissions payable                                       | <u>4,678</u>            |
| Net cash used in operating activities   | <u>(299,019)</u>        |
| <b>Cash Flows from Investing Activities:</b>                                  |                         |
| Purchases of property and equipment   | <u>(13,879)</u>         |
| Net cash used in investing activities   | <u>(13,879)</u>         |
| <b>Cash Flows from Financing Activities:</b>                                  |                         |
| Capital contributions   | <u>105,000</u>          |
| Net cash provided in financing activities                                     | <u>91,121</u>           |
| <b>Cash - March 29, 2018 (Date of Registration)</b>                           | <u>290,338</u>          |
| <b>Cash - End of Period</b>   | <u><u>\$ 82,440</u></u> |

The accompanying notes are an integral part of these financial statements  
This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

---

**Dalzell Trading, LLC**

**Notes to Financial Statements**

**For the period from March 29, 2018 (date of registration) through June 30, 2019**

---

**1. Organization and Nature of Business**

Dalzell Trading, LLC (the "Company") is incorporated in the state of Massachusetts and is located in Natick, Massachusetts. The Company is a broker dealer that is registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). The Company is wholly owned by David J. Dalzell. The Company primarily provides outsourced trading and advisory services to its clients, and is compensated in the form of commissions.

**2. Summary of Significant Accounting Policies**

**a) Basis of Presentation**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

**b) Cash and Cash Equivalents and Concentrations of Credit Risk**

The Company considers money market funds and all investments purchased with an original maturity of three months or less to be cash equivalents. The Company's cash is held at one financial institution which is insured by the Federal Deposit Insurance Corporation and at times may exceed federally insured limits. The Company has not experienced losses in such accounts and believes it is not subject to any significant credit risk on cash.

**c) Revenue Recognition**

Effective March 29, 2018, the Company adopted ASC Topic 606, Revenue from Contracts with Customers ("ASC Topic 606"). The new revenue recognition guidance requires that an entity recognize revenue 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 those goods or services. The guidance requires an entity to follow a five step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The Company applied the modified retrospective method of adoption which resulted in no adjustment as of March 29, 2018. The new revenue recognition guidance does not apply to revenue associated with financial instruments, interest income and expense, leasing and insurance contracts.

Commission related transactions, as well as the resulting revenues and expenses, are recorded on a trade date basis, when the service is provided to the customer and the performance obligations have been met.

The Company had no contract assets or liabilities during the year or as of March 29, 2018 or June 30, 2019.

**Significant Judgments**

Revenue from contracts with customers includes commission income and advisory fees. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

Disaggregation of revenue can be found on the statement of operations.

This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

**Dalzell Trading, LLC**

**Notes to Financial Statements**

For the period from March 29, 2018 (date of registration) through June 30, 2019

**2. Summary of Significant Accounting Policies (Continued)**

**d) Income Taxes**

The Company is a limited liability company and is not a tax paying entity for federal or state income tax purposes. Income of the Company is taxed to the member in its respective return. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Management is responsible for evaluating the Company's uncertain tax positions in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 740, Income Taxes. The Company has evaluated its tax positions taken for all open tax years and has not identified any uncertain tax positions which would require disclosure in the financial statements as of June 30, 2019. The Company commenced operations in 2016 and, therefore, the Company believes all of its returns are still subject to examination by the taxing authorities.

There were no interest or penalties recognized in the Statement of Operations for the period from March 29, 2018 (date of registration) through June 30, 2019.

**e) Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**f) Commissions Receivable - Clearing Broker**

Commission receivables are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial. As of the date of FINRA membership approval the Company had no balance at the clearing broker. As of June 30, 2019, the Company had a receivable balance of \$262,550, which included a \$200,000 deposit and \$8,356 of trade date/settlement date adjustments for transactions executed on the last two days of the fiscal year end.

**3. Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2019, the Company had net capital of \$203,885, which was \$194,478 in excess of its required net capital of \$9,407. The Company's aggregate indebtedness to net capital ratio was 69%. The Company does not hold customers' cash or securities and, therefore, has no obligations under SEC Rule 15c3-3 under the Securities Exchange Act of 1934.

**4. Lease Accounting**

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)." ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the statement of financial position a liability to make the lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU No. 2016-02 is effective for annual periods and interim periods within those annual periods beginning after December 15, 2018. As of July 1, 2019, the Company does not maintain any leases in excess of a one year term. As such, the Company does not have an obligation to record a right to use asset or an offsetting lease obligation. There will be no impact to the Company's net capital.

**5. Deposit At Clearing Organization**

The Company maintains a clearing relationship to carry its account and the accounts of its clients as customers of the clearing firm. The clearing firm has custody of the Company's cash balances which serve as collateral for any amounts due to the clearing firm as well as indemnification obligations specified in the clearing agreement. The balance at June 30, 2019 was \$262,550, which included a clearing deposit of \$200,000.

This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

**Datzell Trading, LLC**

**Notes to Financial Statements**

**For the period from March 29, 2018 (date of registration) through June 30, 2019**

**6. Concentration Of Credit Risk**

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

**7. 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 indebtedness of others. As of June 30, 2019, there were no amounts recorded under the Company's clearing agreement because no loss exists.

**8. Related Party**

During the year the Company has established a loan process for its employees who are commission based and have issued approximately \$55,000 in new loans. These loans do not accrue interest nor do they have a specified repayment date. As of June 30, 2019 the amount of loans outstanding was approximately \$24,000.

**9. Subsequent Events**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

---

**Daizell Trading, LLC**  
**Supplemental Information**  
**June 30, 2019**

---

**Schedule I - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission**

|  |                          |
|--|--------------------------|
| <b>Total Member's Equity</b>   | <b>\$ 231,513</b>        |
| <b>Less non-allowable assets</b>   | <u><b>27,628</b></u>     |
| <b>Net Capital</b>   | <u><b>\$ 203,885</b></u> |
| <b>Minimum Net Capital Required (the greater of \$5,000 or 6 2/3% of aggregate indebtedness)</b> | <b>\$ 9,407</b>          |
| <b>Capital in Excess of Minimum Requirements</b>   | <u><b>\$ 194,478</b></u> |
| <b>Percentage of Aggregate Indebtedness to Net Capital</b>                                       | <u><b>69%</b></u>        |

There were no material differences existing between the above computation and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing. Accordingly, no reconciliation is necessary.

See Report of Independent Registered Public Accounting Firm  
This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

**Dalzell Trading, LLC**  
**Supplemental Information**  
**June 30, 2019**

---

**Schedule II**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER  
RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company claimed exemption from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934. The Company had no obligation under SEC Rule 15c3-3.

**Schedule III**

**INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934. The Company had no obligation under SEC Rule 15c3-3.

See Report of Independent Registered Public Accounting Firm  
This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Managing Member of  
Dalzell Trading, LLC

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) Dalzell Trading, LLC (the "Company") identified the following provisions of 17 C.F.R. §240.15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our 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 the Company's 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, we do not express such an opinion.

Based on our review, we are 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 provisions set forth in Rule 15c3-3 under the Securities Exchange Act of 1934.

*WithumSmith+Brown, PC*

August 23, 2019

**Dalzell Trading, LLC**

**Rule 15c3-3 Exemption Report**

**For the period from March 29, 2018 (date of registration) through June 30, 2019**

Dalzell Trading, LLC (the "Company") is a registered broker-dealer subject to rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. 240.17a-5, "Reports to be made by certain brokers and 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, the Company asserts the following:

The Company claimed exemption under 17 C.F.R. 240.15c3-3 (k)(2)(ii). The Company met the identified exemption provisions under 17 C.F.R. 240.15c3-3 (k)(2)(ii) throughout the most recent fiscal year without exception.

Dalzell Trading, LLC

I, David Dalzell, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: David J Dalzell

Title: Principal

Date: 08/23/2019

See Report of Independent Registered Public Accounting Firm

This report is deemed Confidential in accordance with Rule 17a5-(e)(3) under the Securities Exchange Act of 1934.

**DALZELL TRADING, LLC**

---

**SCHEDULE OF THE DETERMINATION OF SIPC  
NET OPERATING REVENUES AND GENERAL ASSESSMENT**

**For The Year Ended June 30, 2019**

**DALZELL TRADING, LLC**  
**For The Year Ended June 30, 2019**

**Table of Contents**

|   | <b><u>Page</u></b> |
|---|--------------------|
| Report of Independent Registered Public Accounting Firm | 1                  |
| SIPC-7 Form   | 2 - 3              |

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED UPON PROCEDURES

To the Managing Member of  
Dalzell Trading, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below, and were agreed to by Dalzell Trading, LLC (Company) and the SIPC, solely to assist you and the SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the period from March 29, 2018 (date of registration) through June 30, 2019. Management of the Company is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the period from March 29, 2018 (date of registration) through June 30, 2019, with the Total Revenue amounts reported in Form SIPC-7 for the period from March 29, 2018 (date of registration) through June 30, 2019, noting differences related to pre-approval non-securities related revenue. This difference in revenue amounted to \$38,831. The Company did not deem this additional revenue material to their calculation and included it for simplicity of calculation reasons;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the Form SIPC-7 for the period from March 29, 2018 (date of registration) through June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**SEC Mail Processing**

This report is intended solely for the information and use of the Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

AUG 27 2019

*Withum Smith + Brown, PC*  
New York, New York  
August 23, 2019

**Washington, DC**

**SIPC-7**

(35-REV 6/17)

**SECURITIES INVESTOR PROTECTION CORPORATION**  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(35-REV 6/17)

For the fiscal year ended June 30, 2019

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

Daizell Trading, LLC  
20 Main Street, Suite 203A  
Natick, MA 01760

8-69938

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Monique Romero (212) 668-8700

**WORKING COPY**

- 2. A. General Assessment (Item 2e from page 2) \$ 447
- B. Less payment made with SIPC-6 filed (exclude Interest) ( 87 )  
January 15, 2019  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 360
- E. Interest computed on late payment (see Instruction E) for \_\_\_\_\_ days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 360
- G. PAYMENT:  the box  
Check mailed to P.O. Box  Funds Wired   
Total (must be same as F above) \$ 360
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Daizell Trading, LLC

(Name of Corporation, Partnership or other organization)

Monique Romero

(Authorized Signature)

Dated the 10th day of July, 20 19

FINOP

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning July 1, 2018  
and ending June 30, 2019

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents  
\$ 1,122,678

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining Item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

824,396

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

824,396

2d. SIPC Net Operating Revenues

\$ 298,282

2e. General Assessment @ .0015 Rate effective 1/1/2017

\$ 447

(to page 1, line 2.A.)