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

SEC FILE NUMBER
8-48465

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/19 AND ENDING 12/31/19  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **GVC Capital LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**5350 S. Roslyn St. Suite 400**

(No. and Street)

**Greenwood Village**

**CO**

**80111**

(City)

(State)

(Zip Code)

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

Andrea J. Kidd

303-694-0862

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

**Spicer Jeffries LLP**

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

**4601 DTC Blvd, Suite 700**

**Denver**

**CO**

**80237**

(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 (11-05)

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OATH OR AFFIRMATION

I, Andrea J. Kidd, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GVC Capital LLC, as of December 31, 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:

Katherine L Walker
Notary Public
State of Colorado
Notary ID 20004022657
My Commission Expires September 09, 2020

[Signature]
Signature
Chief Financial Officer
Title

[Signature]
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(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).

# **GVC CAPITAL LLC**

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of  
GVC Capital LLC

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of GVC Capital LLC (the “Company”) as of December 31, 2019, the related statements of operations, changes in member’s equity and cash flows for the year then ended, and the related notes and schedules (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 December 31, 2019, and the results of its operations and its cash flows for the year then ended 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 the Company’s 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 Computation of Net Capital 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 Computation of Net Capital is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Spicer Jeffrey LLP*

We have served as GVC Capital LLC's auditor since 1995.

Denver, Colorado  
February 19, 2020

**GVC CAPITAL LLC**

**STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2019**

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**ASSETS**

Cash and cash equivalents	\$	236,515
Deposit held at clearing broker		126,596
Right of Use Asset		120,460
Office equipment and leasehold improvements, at cost, net of accumulated depreciation and amortization of \$87,802		4,216
Other assets		12,943
Long-term investments, at fair value (Note 5)		<u>469</u>
	<b>\$</b>	<b><u>501,199</u></b>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES:**

Accounts payable and accrued expenses	\$	259,880
Lease Liability		122,511
<b>COMMITMENTS AND CONTINGENCIES (Note 3 and 4)</b>		
		<u>118,808</u>
<b>MEMBER'S EQUITY (Note 2)</b>		
	<b>\$</b>	<b><u>501,199</u></b>

The accompanying notes are an integral part of this statement.

GVC CAPITAL LLC

STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2019

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**REVENUE:**

Commissions	\$1,243,797
Investment banking and other	290,635
Trading gains, net	<u>24,821</u>

*Total revenue* 1,559,253

**EXPENSES:**

Salaries, commissions and benefits	1,131,368
Occupancy costs	180,521
Clearing charges	84,787
General and administrative	120,161
Professional fees	28,397
Travel and entertainment	41,072
Communications	20,504
Marketing	<u>2,727</u>

*Total expenses* 1,609,537

**NET LOSS**

**(\$50,284)**

**GVC CAPITAL LLC**

**STATEMENT OF CHANGES IN MEMBER'S EQUITY  
YEAR ENDED DECEMBER 31, 2019**

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<b>BALANCE, December 31, 2018</b>	<b>\$</b>	<b>174,092</b>
Distributions		(5,000)
Net Loss		<u>(50,284)</u>
<b>BALANCE, December 31, 2019</b>	<b>\$</b>	<b><u>118,808</u></b>

The accompanying notes are an integral part of this statement.

**GVC CAPITAL LLC**

**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net Loss	\$ (50,284)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	1,752
Increase in deposit held at clearing broker	(893)
Decrease in commissions receivable	301
No change in other assets	-
Increase in accounts payable and accrued expenses	<u>46,775</u>
<i>Net cash provided in operating activities</i>	<u>(2,349)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Increase in long-term investments	(123)
<i>Net cash used by investing activities</i>	<u>(123)</u>

**CASH FLOWS TO FINANCING ACTIVITIES:**

Distributions	<u>(5,000)</u>
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**NET DECREASE IN CASH AND CASH EQUIVALENTS** (7,472)

**CASH AND CASH EQUIVALENTS, beginning of year** 243,987

**CASH AND CASH EQUIVALENTS, end of year** \$ 236,515

**SUPPLEMENTAL SCHEDULE FOR NON-CASH ITEMS**

Right-of-Use Assets	120,460
Lease Liability	122,511

# GVC CAPITAL LLC

## NOTES TO FINANCIAL STATEMENTS

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

#### **Organization and Business**

Bathgate Capital Partners LLC was organized in 1995. Bathgate Capital Partners LLC changed its name to GVC Capital LLC (the "Company") effective January 1, 2010 and is a securities broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Agency, Inc. The Company is a wholly-owned subsidiary of GVC Partners LLC ("Parent").

#### **Clearing Agreement**

The Company, under Rule 15c3-3(k)(2)(i) and (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 thereon, including the preparation and distribution of customer's 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.

#### **Revenue Recognition**

The Company records proprietary transactions, commission revenue and related expenses on a settlement date basis. Transactions recorded on a trade date basis would not be materially different. In connection with the Company's investment banking activities, underwriting deposits and expense advances received by the Company, along with any related expenses, are deferred and recognized when its services are completed. Consulting fees are recognized when earned in accordance with applicable consulting agreement.

#### **Fair Value of Financial Instruments**

The Company's financial instruments, including cash and cash equivalents, deposit held at clearing broker, commissions receivable, and accounts payable and accrued expenses are carried at amounts that approximate fair value due to the short-term nature of the instruments.

#### **Securities Inventory and Long-term Investments**

The Company values its investments in accordance with Accounting Standards Codification 820 - Fair Value Measurements ("ASC 820"). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

# GVC CAPITAL LLC

## NOTES TO FINANCIAL STATEMENTS

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*(continued)*

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

#### **Securities Inventory and Long-term Investments** *(continued)*

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and blockage discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

# GVC CAPITAL LLC

## NOTES TO FINANCIAL STATEMENTS

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(continued)

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

#### **Securities Inventory and Long-term Investments** (concluded)

The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Company values its securities and securities sold, not yet purchased, that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year. Changes in fair value are reflected in the Company's statement of operations.

The Company's long-term investments consist of investments in private companies consisting of direct equity investments. The transaction price, including transaction costs, is typically the Company's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values. Ongoing reviews by the Company's management are based on an assessment of each underlying investment, incorporating valuations that consider evaluation of financing and sale transactions with third parties as well as comparable transactions. These nonpublic securities are considered to be Level 3 of the fair value hierarchy.

#### **Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

#### **Income Taxes**

The Company is a single member limited liability company ("LLC") and is a disregarded entity for federal and state income tax purposes. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements. The Company's Parent is also an LLC and therefore, all income and expense is reported by the members of the Parent.

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 2016. 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.

# GVC CAPITAL LLC

## NOTES TO FINANCIAL STATEMENTS

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*(continued)*

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

#### **Income Taxes** *(concluded)*

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, 2019.

#### **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.

### **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, 2019, the Company had net capital and net capital requirements of \$101,180 and \$25,493, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 2.66 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

### **NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS**

The Company has office space and equipment from unrelated parties under non-cancelable operating leases. The leases have remaining terms of one year and two years, and do not contain options to either extend or terminate the leases.

**GVC CAPITAL LLC**

**NOTES TO FINANCIAL STATEMENTS**

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Operating Leases:

Right- of- use assets	319,074
Accumulated Amortization	<u>198,614</u>
Right-of-use assets, net	<u>120,460</u>
Operating Lease Liability	<u>122,511</u>

Maturities of lease liabilities at December 31, 2019 were as follows:

	<u>Year</u>	<u>Amount</u>
	2020	114,739
	2021	<u>8,865</u>
Total Lease Payment		123,604
Less imputed interest		<u>(1,093)</u>
		<u>122,511</u>

**NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS (concluded)**

The Company has evaluated FASB Accounting Standards Update 2016-02, Leases (Topic 842) – effective for fiscal years beginning after December 15, 2019 and has updated its recognition of the corresponding lease assets and liabilities. Implementation of the new standard does not materially affect the Company’s operations or net capital computations.

Total rental expense, including the leases referred to above, was \$189,713.63 for the year ended December 31, 2019.

**NOTE 4 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES**

In the normal course of business, the Company’s customers’ activities (“customers”) through its clearing broker involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk. In the event the customers fail to satisfy their obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the customers’ obligations. In the Company’s trading activities, the Company has purchased securities for its own account and may incur losses if the fair value of these securities decline subsequent to December 31, 2019.

**GVC CAPITAL LLC**

**NOTES TO FINANCIAL STATEMENTS**

The Company is involved in various disputes arising in the normal course of business, some of which are indeterminable. Management, after review and discussion with legal counsel, believes the Company has meritorious defense and intends to vigorously defend itself in these various matters, but it is not feasible to predict the final outcome at the present time.

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 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 amounts due from this clearing broker could be subject to forfeiture.

**NOTE 5 - FAIR VALUE MEASUREMENTS**

The following table presents information about the Company's assets measured at fair value as of December 31, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balances as of December 31, 2019
<b>Assets:</b>				
Securities	\$ -	\$ -	\$ -	-
Long-term investments	-	-	469	469
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469</u>	<u>\$ 469</u>

**NOTE 5 - FAIR VALUE MEASUREMENTS (concluded)**

The Company did not have any significant transfers between Level 1 and Level 2 during the year ended December 31, 2019.

The following table presents additional information about the Company's Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

**GVC CAPITAL LLC**

**NOTES TO FINANCIAL STATEMENTS**

Changes in Level 3 assets measured at fair value for the year ended December 31, 2019 are as follows:

	Balance as of December 31, 2018	Purchases	Sales	Realized and Unrealized Gains and (Losses)	Net Transfers In (Out)	Balance as of December 31, 2019	Change in Unrealized Gain (Loss) On Long-term Investments Still Held
Long-term investments	\$ 346	\$ 200	\$ (75)	\$ (2)	\$ -	\$ 469	\$ -

Valuation techniques and unobservable inputs for Level 3 assets measured at fair value for the year ended December 31, 2019 are as follows:

Level 3 fair value measurements	Fair Value at <u>December 31, 2019</u>	Valuation <u>Technique</u>	Unobservable <u>Inputs</u>
<b>Assets:</b>			
Shares and Warrants	\$ 469	Cost	Market
	<u>\$ 469</u>		

**NOTE 6 - 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 disclosure and/or adjustments.

**SUPPLEMENTARY INFORMATION**

**GVC CAPITAL LLC**

**COMPUTATION OF NET CAPITAL PURSUANT TO  
UNIFORM NET CAPITAL RULE 15c3-1  
DECEMBER 31, 2019**

**CREDIT:**

Member's equity	<u>\$ 118,808</u>
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**DEBITS:**

Nonallowable assets:	
Commissions receivable	-
Long-term Investments, at fair value	469
Office equipment and leasehold improvements, net	4,216
Other assets	<u>12,944</u>

<i>Total debits</i>	<u>17,628</u>
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<b>NET CAPITAL BEFORE HAIRCUTS</b>	101,180
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<b>NET CAPITAL</b>	101,180
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Minimum requirements of 6-2/3% of aggregate indebtedness of \$268,918 or \$5,000, whichever is greater	<u>25,493</u>
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<i>Excess net capital</i>	<u>\$ 75,687</u>
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**AGGREGATE INDEBTEDNESS:**

Accounts payable and accrued expenses	<u>\$ 268,918</u>
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<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<u>2.66 to 1</u>
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NOTE: There are no material differences between the above computation of net capital and the corresponding computation as submitted by the Company with the unaudited Form X-17A-5 Part II Filing as of December 31, 2019.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of  
GVC Capital LLC

We have reviewed management's statements, included in the accompanying management statement regarding compliance with Rule 15c3-3 exemption report, in which (1) GVC Capital LLC (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(i) and (ii) (the "exemption provisions") and (2) the Company stated that the Company 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 paragraph (k)(2)(i) and (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Spicer Jeffries LLP*

Denver, Colorado  
February 19, 2020

**GVC CAPITAL LLC**

**EXEMPTION REPORT**

To Whom It May Concern,

To the best knowledge and belief of GVC Capital LLC (the "Company"), the Company claimed exemption from possession or control requirements of SEC Rule 15c3-3 under subparagraph (k)(2)(ii) for the fiscal year ended December 31, 2019. This sub paragraph states:

(k) EXEMPTIONS

(2) The provisions of this rule shall not be applicable to a broker or dealer:

(i) Who carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as "Special Account for the Exclusive Benefit of Customers of (name of the broker or dealer)"; or

(ii) Who, as an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of §§ 240.17a-3 and 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer.

The Company met the identified exemption provisions throughout the most recent fiscal year without exception.

  
Richard Huebner, Senior Managing Partner

  
Andrea Kidd, CFO and Co-CCO