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**FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-66176

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: OCM Investments, LLC

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

333 South Grand Avenue, 28th Floor

(No. and Street)

Los Angeles

CA

90071

(City)

(State)

(Zip Code)

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

John B. Edwards

(213) 830-6229

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Ernst & Young LLP

Mail Processing

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

725 South Figueroa Street

Los Angeles

CA

90017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE: Washington DC

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)

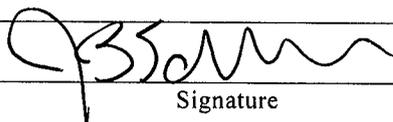
## OATH OR AFFIRMATION

I, John B. Edwards, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OCM Investments, 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Signature

Chief Financial Officer, FINOP

Title

Please see attached Jurat.

\_\_\_\_\_  
Notary Public

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.

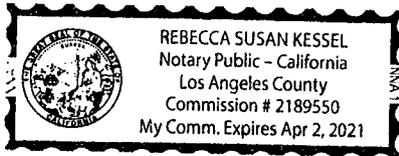
**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**CERTIFICATE FOR JURAT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California            )  
County of Los Angeles        )

Subscribed and sworn to (or affirmed) before me on this 27<sup>th</sup> day of February, 2020, by John B. Edwards, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



(Seal of Notary)

  
\_\_\_\_\_  
Rebecca Susan Kessel  
Notary Public



**OAKTREE**

Oaktree Capital Management, L.P.  
333 South Grand Avenue, 28th floor  
Los Angeles, CA 90071 USA

213 830-6229 213 830-8529  
jedwards@oaktreecapital.com

John B. Edwards  
*Managing Director*

February 28, 2020

Securities & Exchange Commission  
Division of Trading and Markets  
Registration Branch  
Mail Stop 7010  
100 F Street, NE  
Washington, DC 20549

**Re: OCM Investments, LLC (CRD No. 128803)  
SEC Rule 17a-5 – December 31, 2019 Annual Audited Financial Statements**

Dear Sir or Madam:

Pursuant to SEC Rule 17a-5, enclosed are two manually executed copies of the December 31, 2019 annual audited financial statements and exemption report of OCM Investments, LLC (SEC File No. 8-66176), together with the reports of our independent registered public accounting firm.

Sincerely,

John B. Edwards  
Financial and Operations Principal  
OCM Investments, LLC

Enclosures

cc: SEC, Los Angeles, CA (with one copy of each enclosure)

**OCM INVESTMENTS, LLC**  
(SEC FILE NUMBER 8-66176)

FINANCIAL STATEMENTS  
AND  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2019

PURSUANT TO RULE 17a-5 OF THE  
SECURITIES AND EXCHANGE COMMISSION

# OCM INVESTMENTS, LLC

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Building a better  
working world

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725 South Figueroa Street  
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Fax: +1 213 977 3152  
ey.com

## Report of Independent Registered Public Accounting Firm

The Member and Management  
OCM Investments, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of OCM Investments, LLC (the Company) as of December 31, 2019, the related statements of income, changes in member's equity and cash flows for the year then ended, 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 at December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

### 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 accompanying information contained in Schedules 1 and 2 has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the 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. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2014.

February 28, 2020

# OCM INVESTMENTS, LLC

## STATEMENT OF FINANCIAL CONDITION

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December 31, 2019

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### ASSETS

Cash	\$	268,532
Prepaid expenses		146,745
Receivable from related party		35,929
Deposits		<u>11,071</u>
<b>Total assets</b>	<b>\$</b>	<b><u>462,277</u></b>

### LIABILITIES AND MEMBER'S EQUITY

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$	70,293
<b>Member's equity</b>		<u>391,984</u>
<b>Total liabilities and member's equity</b>	<b>\$</b>	<b><u>462,277</u></b>

See accompanying notes to financial statements.

# OCM INVESTMENTS, LLC

## STATEMENT OF INCOME

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**Year Ended December 31, 2019**

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<b>Revenues</b>	
Servicing fees from related party	\$ 444,719
<b>Expenses</b>	
FINRA fees and other licensing charges	177,443
Professional fees	207,935
Taxes and other assessments	16,400
Insurance and other	2,512
Total expenses	<u>404,290</u>
<b>Net income</b>	<b>\$ 40,429</b>

*See accompanying notes to financial statements.*

# OCM INVESTMENTS, LLC

## STATEMENT OF CHANGES IN MEMBER'S EQUITY

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**Year Ended December 31, 2019**

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<b>Member's equity, beginning of year</b>	<b>\$ 351,555</b>
<b>Net income</b>	<u>40,429</u>
<b>Member's equity, end of year</b>	<u><b>\$ 391,984</b></u>

*See accompanying notes to financial statements.*

# OCM INVESTMENTS, LLC

## STATEMENT OF CASH FLOWS

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**Year Ended December 31, 2019**

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<b>Cash flows from operating activities</b>	
Net income	\$ 40,429
Adjustments to reconcile net income to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Prepaid expenses	(6,020)
Receivable from related party	(33,184)
Deposits	(4,141)
Accounts payable and accrued expenses	<u>38,507</u>
<b>Net cash provided by operating activities</b>	<u>35,591</u>
<b>Net increase in cash</b>	35,591
<b>Cash, beginning of year</b>	<u>232,941</u>
<b>Cash, end of year</b>	<u>\$ 268,532</u>

*See accompanying notes to financial statements.*

# OCM INVESTMENTS, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations and summary of significant accounting policies

#### *Nature of Operations*

OCM Investments, LLC (the "Company") is a securities broker-dealer whose business consists of (i) acting as placement agent for the private placement of interests in limited partnerships and other pooled vehicles managed by an affiliated investment adviser, Oaktree Capital Management, L.P. ("Oaktree"), and (ii) the offer, sale and promotion of mutual fund shares issued by funds managed by Oaktree. The Company, a wholly-owned subsidiary of Oaktree, is organized under the laws of the state of Delaware pursuant to the Delaware Limited Liability Company Act and is a registered broker-dealer under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority ("FINRA").

#### *Basis of Presentation*

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

#### *Revenue Recognition*

The Company acts as a placement agent for the private placement of interests in limited partnerships and other pooled vehicles managed by Oaktree, and engages in the offer, sale and promotion of mutual fund shares issued by funds managed by Oaktree (collectively "the Services"). In connection with the Services, the Company earns a quarterly fee equivalent to the total of all costs and expenses incurred directly by the Company in connection with the performance of the Services plus ten percent of the amount of such costs and expenses. The Company believes that the performance obligation for providing the Services is satisfied over time as the customer is receiving and consuming benefits as they are provided by the Company. The fees are considered variable consideration, since there is uncertainty in the amount of revenue depending on the cost and expenses incurred, which is susceptible to factors outside the Company's influence. Revenue is recognized evenly over the contract period once it is probable that a significant reversal will not occur. The Company believes that ratable recognition over the service period is the appropriate approach for recognizing revenue because the Services are substantially the same each day and have the same pattern of transfer. Services fees recognized in the current year are related to performance obligations that have been satisfied this year.

#### *Income Taxes*

The Company is a limited liability company and is not subject to Federal income taxes. Taxable income of the Company is reported on the member's tax returns. The Company is subject to a state annual minimum franchise tax and limited liability company fee.

At December 31, 2019, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require. The Company remains subject to U.S. federal and state income tax audits for all periods subsequent to 2016.

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as an income tax expense in the Statement of Operations. For the period from January 1, 2019 to December 31, 2019, the Company did not have a liability for any unrecognized tax benefits nor did it recognize any interest and penalties related to unrecognized tax benefits.

# OCM INVESTMENTS, LLC

## NOTES TO FINANCIAL STATEMENTS

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### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

### **2. Related party transactions**

In accordance with the Company's limited liability agreement, Oaktree pays the Company a fee for services provided equivalent to 110 percent of costs incurred by the Company in its operations. For the year ended December 31, 2019, fees received by the Company totaled \$444,719. Oaktree is the managing member of the Company.

The Company has a receivable from Oaktree of \$35,929 at December 31, 2019.

Pursuant to the Company's expense sharing agreement, Oaktree pays all shared overhead expenses of the Company, such as compensation, benefits, rent and other expenses incurred in maintaining the Company's place of business. The Company has no obligation to repay Oaktree for such costs.

Pursuant to a placement agent agreement with a pooled vehicle managed by Oaktree, the Company may receive distribution fees from the pooled vehicle which are payable to a sub-placement agent. For the year ended December 31, 2019, no such transactions occurred through the Company.

### **3. Net capital requirements**

The Company, as a member of FINRA, is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital, and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1, and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2019, the Company's net capital was \$198,239, which was \$193,239 in excess of its minimum net capital requirement of \$5,000.

### **4. Concentration of credit risk**

The Company maintains its cash balances at a financial institution, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institution and does not anticipate any losses from this counterparty.

### **5. Exemption from Rule 15c3-3**

The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph (k)(2)(i) of such Rule) under the Securities Exchange Act of 1934 as an introducing broker or dealer that does not hold customer funds or securities or carry accounts of customers; accordingly, no funds are required to be segregated.

# OCM INVESTMENTS, LLC

## NOTES TO FINANCIAL STATEMENTS

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### **6. Commitments and contingencies**

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

### **7. Subsequent events**

These financial statements were approved by management and available for issuance on February 28, 2020. Subsequent events have been evaluated through this date.

# OCM INVESTMENTS, LLC

## SUPPLEMENTAL INFORMATION SCHEDULE 1. COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

**December 31, 2019**

<b>Member's equity</b>		<u>\$ 391,984</u>
<b>Less nonallowable assets:</b>		
Prepaid expenses		146,745
Receivable from related party		35,929
Deposits		11,071
		<u>193,745</u>
<b>Net capital</b>		<u>\$ 198,239</u>
<b>Aggregate indebtedness</b>		<u>\$ 70,293</u>
Minimum net capital required (under SEC Rule 15c3-1)		<u>\$ 5,000</u>
Computed minimum net capital required (6.67% of aggregate indebtedness)		<u>\$ 4,686</u>
<b>Excess net capital (\$198,239 - \$5,000)</b>		<u>\$ 193,239</u>
<b>Percentage of aggregate indebtedness to net capital</b>	$\frac{\$ 70,293}{\$ 198,239}$	<u>35%</u>

There are no material differences between the computation of net capital presented above and the computation of net capital in the Company's unaudited Form X-17A-5, Part II-A filing as of December 31, 2019.

# OCM INVESTMENTS, LLC

## SUPPLEMENTAL INFORMATION

### SCHEDULE 2. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO POSSESSION AND CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

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December 31, 2019

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The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph (k)(2)(i) of such Rule) under the Securities Exchange Act of 1934 as an introducing broker or dealer that does not hold customer funds or securities or carry accounts of customers; accordingly, no funds are required to be segregated.



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Suite 500  
725 South Figueroa Street  
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Fax: +1 213 977 3152  
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## Report of Independent Registered Public Accounting Firm

The Member and Management of  
OCM Investments, LLC

We have reviewed management's statements, included in the accompanying OCM Investments, LLC's Exemption Report, in which (1) OCM Investments, LLC (the Company) identified the following provision 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) (the "exemption provision") and (2) the Company stated that it met the identified exemption provision in 17 C.F.R. § 240.15c3-3 (k) throughout the most recent fiscal year ended December 31, 2019 without exception. Management is responsible for compliance with the exemption provision 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) of Rule 15c3-3 under the Securities Exchange Act of 1934.

This report is intended solely for the information and use of the member, management, the SEC, FINRA, other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

February 28, 2020

## OCM Investments, LLC's Exemption Report

OCM Investments, 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 states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provision of 17 C.F.R. §240.15c3-3(k): (2)(i).
- (2) The Company met the identified exemption provision in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

OCM Investments, LLC

I, John Edwards, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

Title: Chief Financial Officer, FINOP

February 28, 2020