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Securities and Exchange Commission
Trading and Markets

MAR 2 2021

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

SEC FILE NUMBER
8-68728

RECEIVED

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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 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Lincoln Douglas Investments, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

135 South Main Street

(No. and Street)

Mount Vernon

Ohio

43050

(City)

(State)

(Zip Code)

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

-Brandon Bullock

740-397-1397

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

HHH CPA Group, LLC

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

1250 Old Henderson Road

Columbus

Ohio

43220

(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)

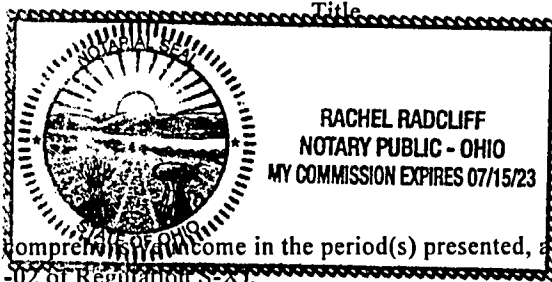
OATH OR AFFIRMATION

I, Brandon L. Bullock, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lincoln Douglas Investments, LLC, as of December 31st, 2020, 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:

Brandon L. Bullock
Signature

FINOP
Title

Rachel Radcliff
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).

LINCOLN DOUGLAS INVESTMENTS, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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Nick DiBartolomeo, CPA

Brian Schneider, CPA



Rick Dumas, CPA

James Peters, CPA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
of Lincoln Douglas Investments, LLC
Mount Vernon, Ohio

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of Lincoln Douglas Investments, LLC (an Ohio limited liability corporation) as of December 31, 2020 and 2019, and the related statements of operations, changes in members' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the years 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 Lincoln Douglas Investments, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years 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 Lincoln Douglas Investments, LLC's management. Our responsibility is to express an opinion on Lincoln Douglas Investments, LLC'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 Lincoln Douglas Investments, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 schedule of Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission, Schedule of Aggregate Indebtedness, Reconciliation with Company's Computation of Net Capital as Included in Part IIA of Form X-17A-5 , and Statement on Exemption from Computation of Reserve Requirement and Information for Possession or Control Requirements Under Rule 15c3-3 of The Securities and Exchange Commission have been subjected to audit procedures performed in conjunction with the audit of Lincoln Douglas Investments, LLC's financial statements. The supplemental information is the responsibility of Lincoln Douglas Investments, LLC'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 Under Rule 15c3-1 of the Securities and Exchange Commission, Schedule of Aggregate Indebtedness, Reconciliation with Company's Computation of Net Capital as Included in Part IIA of Form X-17A-5 , and Statement on Exemption from Computation of Reserve Requirement and Information for Possession or Control Requirements Under Rule 15c3-3 of The Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

HHH CPA Group, LLC

HHH CPA Group, LLC

We have served as Lincoln Douglas Investments, LLC's auditor since 2011.
Columbus, Ohio
February 24, 2021

LINCOLN DOUGLAS INVESTMENTS, LLC
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash	\$ 535,483	\$ 251,121
Restricted cash and equivalents	<u>50,000</u>	<u>50,000</u>
Total cash	585,483	301,121
Receivable from broker-dealers and clearing organization	332,522	235,685
Accounts receivable - related party	7,609	21,160
Prepaid expenses	<u>25,430</u>	<u>20,343</u>
Total current assets	951,044	578,309
Long-term assets	<u>-</u>	<u>-</u>
	<u>\$ 951,044</u>	<u>\$ 578,309</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Accounts payable	\$ 82	\$ 6,275
Commissions payable	541,588	252,171
Accrued liabilities	16,770	11,995
SBA Loan	<u>83,300</u>	<u>-</u>
Total current liabilities	641,740	270,441
Subordinated debt	<u>100,000</u>	<u>100,000</u>
Total liabilities	741,740	370,441
Members' equity:		
Contributed capital	35,000	35,000
Retained earnings	<u>174,304</u>	<u>172,868</u>
Total members' equity	<u>209,304</u>	<u>207,868</u>
	<u>\$ 951,044</u>	<u>\$ 578,309</u>

See accompanying notes to financial statements

LINCOLN DOUGLAS INVESTMENTS, LLC

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenues:		
Commissions	\$ 1,467,725	\$ 1,263,845
Investment Advisory	102,405	89,323
Fee Income	498,890	471,720
Other income	364,636	260,309
Interest	6,039	9,758
Total revenues	2,439,695	2,094,955
Operating Expenses:		
Commissions	1,558,841	1,345,499
Payroll Expense	331,617	292,549
Clearing House Charges	262,876	243,024
Office Expenses	56,925	43,262
Registration & Regulatory	40,700	39,747
Computer and Website	37,416	32,797
Bad Debts	20,048	0
Professional Fees	12,067	8,450
Printing and Postage	8,898	6,260
Telephone & Internet	6,703	6,540
Interest	5,088	5,046
Client Rebates	2,137	745
Investment Advisory	2,038	1,933
Advertising	1,379	3,693
Lodging, Meals & Entertainment	1,201	1,190
Other	20,325	14,729
Total operating expenses	2,368,259	2,045,464
Total operating income	71,436	49,491
Other income (expense)		
Arbitration	(50,000)	-
Total other income (expense)	(50,000)	-
Net income	\$ 21,436	\$ 49,491

LINCOLN DOUGLAS INVESTMENTS, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Contributed Capital:		
Balance at beginning of period	\$ 35,000	\$ 35,000
Contributed capital	<u>-</u>	<u>-</u>
Balance at end of period	<u>35,000</u>	<u>35,000</u>
Retained Earnings:		
Balance at beginning of period	172,868	123,377
Net income	21,436	49,491
Distributions	<u>(20,000)</u>	<u>-</u>
Balance at end of period	<u>174,304</u>	<u>172,868</u>
Total members' equity	<u>\$ 209,304</u>	<u>\$ 207,868</u>

LINCOLN DOUGLAS INVESTMENTS, LLC

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Net income	\$ 21,436	\$ 49,491
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Receivable from broker-dealers and clearing organization	(96,837)	(88,450)
Accounts receivable - related party	13,551	(2,838)
Prepaid expenses	(5,087)	(1,637)
Increase (decrease) in:		
Accounts payable	(6,193)	6,175
Commissions payable	289,417	28,917
Accrued liabilities	4,775	3,787
Total adjustments	199,626	(54,046)
Net cash provided by (used in) operating activities	221,062	(4,555)
Cash flows from investing activities	-	-
Cash flows from financing activities:		
Proceeds from SBA Loan	83,300	-
Distributions to members	(20,000)	-
Net cash provided by financing activities	63,300	-
Net increase (decrease) in cash	284,362	(4,555)
Cash and restricted cash at beginning of period	301,121	305,676
Cash and restricted cash at end of period	\$ 585,483	\$ 301,121
Supplemental disclosures:		
Interest paid	\$ 5,088	\$ 5,046
Income taxes paid	\$ 1,366	\$ 87

LINCOLN DOUGLAS INVESTMENTS, LLC

**STATEMENTS OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS**

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Subordinated Borrowings:		
Balance at beginning of period	\$ 100,000	\$ 100,000
Additional borrowings	-	-
Repayments or borrowings	<u>-</u>	<u>-</u>
Balance at end of period	\$ <u>100,000</u>	\$ <u>100,000</u>

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Summary of Significant Accounting Policies

A. Organization

Lincoln Douglas Investments, LLC (the Company) was formed as a limited liability company in the State of Ohio in December 2010 and began operations in July 2011. The Company has been operating as a broker-dealer registered with the Securities and Exchange Commission (SEC) and the State of Ohio Securities Division; it is a member of the Financial Industry Regulatory Authority, Inc. (FINRA).

The Company operates pursuant to Exchange Act Rule 15c3-3(k)(2)(ii), clearing transactions on a fully disclosed basis through its clearing firm, National Financial Services LLC ("NFS"), and on an application-way basis with registered investment companies, insurance and annuity providers, and other product offerings. Customer accounts held directly at a product issuer for which the Company is listed as the broker-dealer of record. The Company does not hold customer funds or safeguard customer securities.

As of December 31, 2020, the Company is licensed in 38 states, including Alabama, Alaska, Arizona, Arkansas California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin.

B. Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Restricted Cash Equivalents

The Company maintains cash balances at one bank account. The cash balance in the bank was over the federally insured limit of \$250,000, by \$285,483 as of December 31, 2020. For purposes of the statement of cash flows, the Company considers all cash in checking accounts and money market accounts to be cash equivalents.

Restricted cash equivalents represent amounts on deposit at financial institutions that are legally restricted due to contract terms with NFS. Included in the statements of financial condition is a restricted cash deposit for margin requirements at NFS in the amount of \$50,000.

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Summary of Significant Accounting Policies - Continued

D. Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and commissions receivable. The Company places its cash with high credit quality financial institutions, which at times may be in excess of FDIC insurance limits. The Company's receivables represent commissions from completed securities trades, and 12b-1 fees, or trails, from assets held direct. All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

E. Securities Transactions and Revenue Recognition

Securities transactions, commissions and related clearing expenses are reported on a trade date basis. The change in the resulting difference between cost and market is included in net trading profits in the statement of income. The Company's activities are transacted on either a cash or margin basis. Margin transactions are subject to various regulatory and internal margin requirements and are collateralized by cash and securities in the Company's accounts. Commission expense is also recorded on a trade-date basis as security transactions occur.

F. Advertising Costs

Advertising costs are expensed when incurred. Advertising costs are \$1,379 and \$3,693 and in 2020 and 2019, respectively.

G. Fair Value Measurements

FASB ASC 820, Fair Value Measurement, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

G. Fair Value Measurements - Continued

Level 2 Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

Money Market funds: The carrying amount approximates fair value because the instruments are liquid in nature. This investment uses Level 1 inputs.

H. Government and Other Regulations

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the requirements of these organizations. As a registered broker-dealer, the Company is subject to the SEC's Net Capital Rule 15c3-1 which requires that the Company maintains a minimum net capital, as defined [see note 3].

I. Receivables

Accounts receivable – related party are stated at the amount billed. Registered representative affiliation fees, commission charge backs and other costs that are the responsibility of registered representatives are offset against amounts owed to registered representatives for their commission payables. If the balance of the debits owed to the Company exceed the amount owed to the registered representative, the net balance owed to the Company is recorded as a receivable.

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

I. Receivables Policies - Continued

The receivable from broker-dealers and clearing organization is the net amount owed from NFS to the Company for dealer activity. The receivable is recorded net of any related liabilities to the clearing firm on the accompanying statement of financial condition.

Management individually reviews all receivable balances that exceed 30 days from the invoice date and based on an assessment of various factors, estimates the portion, if any, of the balance that will not be collected. In the opinion of management, all receivables are considered collectible and no allowance was necessary at December 31, 2020 and 2019.

Note 2 – Reserve Requirements

The Company is not obligated to report under SEC Rule 15c3-3 since it does not maintain customer accounts or hold securities. All customer transactions are cleared through another broker-dealer on a fully disclosed basis. Therefore, the Company does not have a reserve requirement nor does it have any information relating to the possession or control requirement under Rule 15c3-3.

Note 3 – Net Capital Requirements (Schedules I and II)

Under SEC Rule 15c3-1, the Company is required to maintain net capital of not less than the greater of 6.67% of total aggregate indebtedness liabilities, exclusive of subordinated debt, for the year ended December 31, 2020, \$37,013, or \$50,000. At December 31, 2020 the Company's net capital as defined by SEC Rule 15c3-1 was \$301,565 in excess of the minimum net capital required.

In addition to the minimum net capital provision, SEC Rule 15c3-1 requires that the Company maintain a ratio of aggregate indebtedness, as defined, to capital, of not more than 15 to 1. At December 31, 2020 the ratio was 1.58 to 1.

Note 4 – Subordinated Debt

Subordinated debt consists of a subordinated note payable to a member in the amount of \$100,000, with interest at 5% payable annually. The note has a stated maturity of April 11th, 2016, however, the Extension of Maturity provision was included within the agreement, allowing for an extension of an additional year without further action by either the lender or broker/dealer. The principal payment can only be made with FINRA approval. This note has paid out interest of \$5,000 in both 2020 and 2019.

Note 5 – Income Taxes

Lincoln Douglas Investments, LLC is recognized as a "pass-through entity" under the Internal Revenue Code and pays no federal and state taxes. The members are taxed individually on the Company's taxable income.

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 5 – Income Taxes - Continued

The Company recognizes and discloses uncertain tax positions in accordance with accounting principles generally accepted in the United States of America. As of and during the year ended December 31, 2020, the Company did not have a liability for unrecognized tax benefits. The Company is no longer subject to examination by federal and state taxing authorities for returns filed prior to 2018.

The Company assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Company records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Company believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

Note 6 – Related Party Transactions

The Company operates out of office space that is controlled by one of the Company's members. There is no rent being charged.

Several members of the Company are active in administration and sales operations. These members earned \$144,000 and \$142,000 in wages during 2020 and 2019, respectively. Also, they earned \$12,350 and \$10,527 in commissions during 2020 and 2019, respectively.

See Note 4 for subordinated agreement with related party.

Note 7 – Subsequent Events

Management has reviewed all events subsequent to December 31, 2020, up to the date of audit report (February 24, 2021) and has not encountered any subsequent events that effect the current financial statements or that require additional disclosure.

Note 8 – Recent Accounting Pronouncements

The Company adopts all applicable, new accounting pronouncements as of the specified effective dates.

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, Leases, as a new Accounting Standards Codification Topic 842 ("ASC Topic 842"), which will supersede nearly all existing revenue recognition guidance under GAAP. Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories:

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 8 – Recent Accounting Pronouncements - Continued

- Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments.
 - Interest on the liability will be recognized separately from amortization of the asset.
 - Principal repayments will be classified as financing outflows and payments of interest as operating outflows on the statement of cash flows.
- Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments.
 - A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense.
 - All cash outflows will be classified as operating on the statement of cash flows.
- The standard is effective for us for annual periods beginning January 1, 2019. We adopted ASC Topic 842 as of January 1, 2019. An assessment to determine the impacts of the new accounting standard has been performed. Based on our assessment, the adoption of ASC Topic 842 did not have a material impact on our financial statements.
- Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our financial statements upon adoption.

Note 9 – Notes Payable

On May 8, 2020, the Organization received loan proceeds in the amount of \$83,300 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Company intends to use the proceeds for purposes consistent with the PPP. While the Company currently believes that its use of the loan proceeds has met the conditions for forgiveness of the loan, we cannot recognize this as income until a final determination has been made by the bank.

LINCOLN DOUGLAS INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 10 – COVID-19

During March 2020, the state and federal government issued stay at home and social distancing recommendations to combat the COVID-19 global pandemic. As a result, numerous local businesses were closed and employees were laid off. The Organization has made operational modifications to comply with the above recommendations, but continues to offer its services as of the audit report date. There has been a restructuring of meetings and customer interactions as result of these regulations. The Organization believes it has enough capital reserves to withstand the effects of the pandemic through the following 12 months from the report date. We are unable to project what other effects this pandemic will have beyond the subsequent 12 month from the date of the audit report, but management has no plans to cease operations.

Note 11 – Litigation

During November of 2019, the company received a complaint from a client of registered representative Herbert Garret Frey (CRD 214237), from which evolved an arbitration claim filed in the FINRA Dispute Resolution forum involving alleged investment losses.

The official dispute between Karen L. Ankenbauer ("Claimant") and Lincoln Douglas Investments, LLC ("Respondent") was regarding an investment account Claimant had with Respondent (LDR-009519) (the "Account") for a period approximating August, 2018 through February, 2019. Claimant commenced an arbitration proceeding against Respondent and others with the Financial Industry Regulatory Authority Dispute Resolution ("FINRA") entitled Karen L. Ankenbauer against Jet Trade, Inc., et al., FINRA No. 19-03269 (the "Claim")

Subsequently, the case settled at mediation on October 14th, 2020. The claimant and Lincoln Douglas Investments, LLC agreed to a settlement payment of \$45,000. The agreement was a compromise of a disputed claim and there were no admissions of liability or wrongdoing by any party, with liability being expressly denied by Lincoln Douglas Investments, LLC.

The Company has E&O insurance applicable to this matter and, hence, Lincoln Douglas Investments, LLC's total out-of-pocket loss did not exceed \$50,000.00, the amount of the E&O deductible. The Company has satisfied its deductible through payment of the settlement and legal fees, while any outstanding legal fees and costs are the responsibility of the insurance carrier.

The Company has no pending litigation.

SUPPLEMENTAL INFORMATION

LINCOLN DOUGLAS INVESTMENTS, LLC

SUPPLEMENTARY SCHEDULES

AS OF DECEMBER 31, 2020

Schedule I

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

NET CAPITAL

Total members' equity		\$209,304
Add:		
Liabilities subordinated to claims of general creditors allowable in computation of net capital		100,000
Other (deductions) or allowable credits		<u>75,300</u>
Total capital and allowable subordinated liabilities		384,604
Non-allowable assets:		
Accounts receivable – related party	\$ 7,609	
Prepaid expenses	<u>25,430</u>	<u>33,039</u>
Net capital before haircuts on securities positions		351,565
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f)):		
Other securities	<u> -</u>	<u> -</u>
Total net capital		<u>\$351,565</u>
6 2/3% of Aggregate Indebtedness		\$37,013
Minimum Net Capital Requirement – Greater of \$50,000 or 6 2/3% of Aggregate Indebtedness of \$261,511		<u>50,000</u>
Excess Net Capital		<u>\$301,565</u>
Net capital less the greater of 120% of the Minimum Net Capital Requirement (\$60,000) or 10% of Aggregate Indebtedness (\$59,519)		<u>\$291,565</u>

Schedule II

Schedule of Aggregate Indebtedness

Computation of aggregate indebtedness:	
Commissions Payable	\$541,588
Accrued Liabilities (allowable portion)	13,525
Other Accounts Payable	<u>82</u>
 Total allowable liabilities from Balance Sheet	 <u>\$555,195</u>
 Ratio of aggregate indebtedness to net capital	 <u>1.58 to 1</u>

Schedule III

**Reconciliation with Company's Computation of Net Capital as
Included in Part IIA of Form X-17A-5**

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report	\$351,565
 Audit adjustments	 <u>-</u>
 Net capital per audited financial statements	 <u>\$351,565</u>

There are no material differences between the computation of net capital presented herein and that reported by the Company in its unaudited amended Part IIA of Form X-17A-5 filing as of the same date.

Statement on Exemption from Computation of Reserve Requirement and Information for Possession or Control Requirements Under Rule 15c3-3 of The Securities and Exchange Commission

In accordance with the exemptive provision of SEC Rule 15c3-3, specifically exemption k(2)(ii), the Company is exempt from computation of a reserve requirement and the information relation to the possession or control requirements.

Nick DiBartolomeo, CPA
Brian Schneider, CPA



Rick Dumas, CPA
James Peters, CPA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
of Lincoln Douglas Investments, LLC
Mount Vernon, Ohio

We have reviewed management's statements, included in the accompanying SEC Rule 15c3-3 Exemption Report, in which (1) Lincoln Douglas Investments, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Lincoln Douglas Investments, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(ii) (the "exemption provisions") and (2) Lincoln Douglas Investments, LLC stated that Lincoln Douglas Investments, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Lincoln Douglas Investments, LLC'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 Lincoln Douglas Investments, LLC'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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

HHH CPA Group, LLC
HHH CPA Group, LLC
Columbus, Ohio
February 24, 2021

SEC Rule 15c3-3 Exemption Report

Board of Directors
Lincoln Douglas Investments, LLC

Lincoln Douglas Investments, LLC is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 CFR 240.17a-5– "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 CFR 240.17a-5(d)(I) and (4). To the best of its knowledge the Company states the following:

The Company is exempt from Rule 17 CFR 15c3-3 under provision (k)((2)(ii) of Rule 15c3-3 of the Securities Exchange Act of 1934. The Company met the identified exemption provision identified above throughout the most recent fiscal year ended December 31, 2020, without exception.

Lincoln Douglas Investments, LLC

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



Brandon Bullock
FINOP

February 24, 2021

Nick DiBartolomeo, CPA

Brian Schneider, CPA



Rick Dumas, CPA

James Peters, CPA

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

To the Board of Directors
of Lincoln Douglas Investments, LLC
Mount Vernon, Ohio

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 Lincoln Douglas Investments, LLC and the SIPC, solely to assist you and SIPC in evaluating Lincoln Douglas Investments, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2020. Lincoln Douglas Investments, LLC's management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by 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 amounts reported on the audited Form X-17A-5 for the year ended December 31, 2020, as applicable, with the amounts reported in Form SIPC-7 for the year ended December, 31 2020, noting no differences;
- 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 review, the objective of which would be the expression of an opinion or conclusion, respectively, on Lincoln Douglas Investments, LLC's compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2020. 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.

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

HHH CPA Group, LLC
HHH CPA Group, LLC
Columbus, Ohio
February 24, 2021

SIPC-7

(36-REV 12/18)

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

General Assessment Reconciliation

SIPC-7

(36-REV 12/18)

For the fiscal year ended **12/31/2020**
(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:

12*28*****1930*****MIXED AADC 220
68728 FINRA DEC
LINCOLN DOUGLAS INVESTMENTS LLC
135 S MAIN ST
MOUNT VERNON, OH 43050-3323

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.

Brandon Bullock
740-397-1397

- 2. A. General Assessment (Item 2e from page 2) \$ 1294
- B. Less payment made with SIPC-6 filed (exclude Interest) 657
7-27-2020
Date Paid
- C. Less prior overpayment applied -
- D. Assessment balance due or (overpayment) 657
- 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) \$ 657
- G. PAYMENT: the box
Check mailed to P.O. Box Funds Wired ACH
Total (must be same as F above) \$ 657
- H. Overpayment carried forward \$(-)

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

N/A

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.

Lincoln Douglas Investments, LLC
(Name of Corporation, Partnership or other organization)

Brandon L. Bullock
(Authorized Signature)

Dated the _____ day of _____, 20____.

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: _____

