

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

SEC FILE NUMBER
8-68928

ANNUAL REPORTS  
FORM X-17A-5  
PART III

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/21 AND ENDING 12/31/21  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: .i(x) Securities, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

216 East 45th Street, Suite 1302

(No. and Street)

New York

NY

10017

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Steven C Bender

646.290.7248

sbender@modernrs.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Nawrocki Smith, LLP

(Name – if individual, state last, first, and middle name)

100 Motor Parkway, Suite 580 Hauppauge

NY

11788

(Address)

(City)

(State)

(Zip Code)

March 4, 2009

3370

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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

OATH OR AFFIRMATION

I, Edward Kuhnel, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of i(x) Securities, LLC, as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Signature: [Handwritten Signature]

Title: CEO, COO

[Handwritten Signature]
Notary Public



MICHELA PAGLIARA
NOTARY PUBLIC
STATE OF NEW YORK
Registration No. 01PA6419424
Qualified in New York City
My Commission Expires July 6, 2025

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

- (a) Statement of financial condition.
(b) Notes to consolidated 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...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.



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

To the Member of  
I(X) Securities, LLC:

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

We have audited the accompanying statement of financial condition of I(X) Securities, LLC (the "Company") as of December 31, 2021, the related statements of operations, changes in member's equity, and cash flows for 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 I(X) Securities, LLC as of December 31, 2021, 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 I(X) Securities, LLC's management. Our responsibility is to express an opinion on I(X) Securities, 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 I(X) Securities, 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.

### **Auditor's Report on Supplemental Information**

The supplemental information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of I(X) Securities, LLC's financial statements. The supplemental information is the responsibility of I(X) Securities, 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 supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as I(X) Securities, LLC's auditor since 2020.

Hauppauge, New York  
February 22, 2022

*Nawrocki Smith LLP*

**I(X) SECURITIES, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2021**

**ASSETS**

Cash	\$ 434,348
Accounts receivable	337,727
Prepaid expenses and other assets	24,763
Security Deposits	<u>2,000</u>
TOTAL ASSETS	<u><u>\$ 798,838</u></u>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable and accrued expenses	\$ 215,068
Related party payable	<u>5,206</u>
Total Liabilities	<u>220,274</u>
Member's Equity	<u>578,564</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 798,838</u></u>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

**I(X) SECURITIES, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Revenues		
	Investment banking income	\$ 1,817,258
	Advisory services and other income	<u>55,700</u>
	Total Revenues	<u>1,872,958</u>
Expenses		
	Commissions	1,443,758
	Salaries and bonus	171,757
	Professional fees	74,729
	Occupancy	23,700
	Regulatory expenses	23,124
	Insurance expenses	17,555
	Other expenses	<u>38,167</u>
	Total Expenses	<u>1,792,790</u>
	Net income	<u><u>\$ 80,168</u></u>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

**I(X) SECURITIES, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Member's</u> <u>Equity</u>
Balance - January 1, 2021	\$ 1,549,777
Member contributions	160,000
Member distributions	(1,211,381)
Net income	<u>80,168</u>
Balance - December 31, 2021	<u>\$ 578,564</u>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

**I(X) SECURITIES, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 80,168
Adjustments to reconcile net loss to cash used:	
Increase in prepaid expenses and other assets	(5,041)
Decrease in accounts receivable	36,823
Increase in accounts payable and accrued expenses	151,677
Increase in security deposits	(1,400)
Increase in related party payable	5,206
Net cash provided by operating activities	<u>267,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net cash used by investing activities	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Cash capital withdrawals	(50,000)
Cash capital contributions	160,000
Net cash provided by financing activities	<u>110,000</u>
NET INCREASE IN CASH	377,433
CASH:	
Cash - January 1, 2021	<u>56,915</u>
Cash - December 31, 2021	<u>\$ 434,348</u>

Non-Cash Disclosure

The Company had a \$1,161,381 capital withdrawal of its investment in a privately held company during the year ended December 31, 2021

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

**I(X) SECURITIES, LLC**  
(A LIMITED LIABILITY COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

---

**NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS:**

I(X) Securities, LLC (the "LLC") was incorporated in October 6, 2012 in the State of Virginia. The LLC is registered with the Securities and Exchange Commission ("SEC"). The LLC is also a member of FINRA and the Securities Investor Protection Corporation ("SIPC"). On May 24, 2019, the LLC was acquired by I(X) Securities Holdings, LLC and was renamed from Novahill Partners, LLC to I(X) Securities, LLC. The LLC submitted a Continuing Membership Application to FINRA for a 100% change in ownership, which was approved on May 16, 2019. In November 2020, I(X) Securities Holdings, LLC changed its name to I(X) Financial Services, LLC. The LLC's primary business activities are private placement of securities and mergers and acquisitions advisory services.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Presentation**

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned, while expenses and losses are recognized when incurred.

**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 amount of assets and liabilities, and disclosures 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.

**Cash**

The LLC considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of funds maintained in a checking account held at financial institutions.

**Revenue Recognition**

Revenue is recognized at the completion of a project with the closing of the deal. Retainer revenue is recognized upon billing of the client. The company accounts for revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers. No cumulative adjustment to member's equity was required, as no material arrangements prior to the adoption were impacted by the new pronouncement. The LLC typically enters into contracts with clients calling for periodic retainer fees to be paid during the term of the arrangement, and a success fee to be paid out once the merger or acquisition is successfully completed. This success fee is typically based upon a percentage of the total consideration of the transaction, although in certain cases it may be a flat fee. Accordingly, the LLC recognizes retainer fees in the period earned, with separate revenue recognition once each transaction is finalized.

The LLC's investment banking income is comprised of private placement fees, which are earned only when capital is raised and closings are effected, in accordance with the terms of the contracts with clients.

The LLC earns investment banking fees for achieving various fundraising objectives. Revenue for investment banking is generally recognized at the point in time that performance under the arrangement is completed (the closing date of the transaction) or the contract is cancelled. However, for certain contracts, revenue is recognized based upon a percentage of funds raised and/or a flat fee and may include a retainer, or partial payment, to commence services. In some circumstances, significant judgment is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract. Retainers and other fees received from customers prior to recognizing revenue are reflected as contract liabilities.

---

**I(X) SECURITIES, LLC**  
(A LIMITED LIABILITY COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Income Taxes**

The financial statements do not reflect a provision or liability for federal or state income taxes since under the Internal Revenue Code the LLC elected to be taxed as a partnership. Accordingly, the individual member reports their distributive share of the LLC's income or loss and credits on the member's individual tax return.

**Uncertain Tax Positions**

The LLC has adopted the provisions of Financial Accounting Standards Board (FASB) Topic 740, *Accounting for Uncertainty in Income Taxes ("Uncertain Tax Position")*. This accounting guidance prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under Uncertain Tax Position, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The LLC has evaluated its tax position as of December 31, 2021, and does not expect any material adjustments to be made.

**NOTE 3 – LEASE ACCOUNTING:**

In connection with ASC Topic 842 ("ASC Topic 842"), which took effect as of the first day of the fiscal year after December 31, 2018, management has evaluated the financial impact the standards had on the LLC's financial statements using a modified retrospective transition approach. As of December 31, 2021, the LLC does not maintain any leases in excess of a one year term. As such, the LLC does not have an obligation to record a right to use asset or an offsetting lease obligation. There will be no impact to the LLC's net capital.

**NOTE 4 – NET CAPITAL REQUIREMENTS:**

The LLC is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1, or 8 to 1 in the first year of operations. At December 31, 2021, the LLC had net capital of \$425,883 which was \$411,198 in excess of its required net capital of \$14,685. The LLC's ratio of aggregate indebtedness to net capital was 52%.

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK:**

**Cash**

The Company maintains principally all cash balances in one financial institution which, at times may exceed the amount insured by the Federal Deposit Insurance Corporation. The exposure to the LLC is solely dependent upon daily bank balances and the respective strength of the financial institution. The LLC has not incurred any losses on this account. As of December 31, 2021, the amount in excess of insured limits of \$250,000 was \$184,348.

---

---

**I(X) SECURITIES, LLC**  
(A LIMITED LIABILITY COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

---

---

**NOTE 6 – INDEMNIFICATIONS:**

In the normal course of its business, the LLC indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the LLC. The maximum potential amount of future payments that the LLC could be required to make under these indemnifications cannot be estimated. However, the LLC believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

The LLC provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The LLC may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the LLC could be required to make under these indemnifications cannot be estimated. However, the LLC believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

**NOTE 7 – SUBSEQUENT EVENTS:**

The Company has evaluated events and transactions that occurred after December 31, 2021 through February 22, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statement. The LLC is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**I(X) SECURITIES, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c-3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2021**

NET CAPITAL:		
Member's equity		\$ 578,564
Less non-allowable assets and deductions:		
Accounts receivable in excess of related payable	\$ 125,918	
Prepaid expenses and other non-allowables	<u>26,763</u>	
		<u>152,681</u>
Net capital before haircuts on securities positions		425,883
Less: Haircuts and exempted securities		<u>0</u>
NET CAPITAL		<u><u>\$ 425,883</u></u>
AGGREGATE INDEBTEDNESS		<u><u>\$ 220,274</u></u>
MINIMUM NET CAPITAL REQUIRED (6 2/3% of aggregate indebtedness)		<u><u>\$ 14,685</u></u>
MINIMUM NET CAPITAL DOLLAR REQUIREMENT		<u><u>\$ 5,000</u></u>
MINIMUM NET CAPITAL REQUIRED		<u><u>\$ 14,685</u></u>
EXCESS NET CAPITAL (\$425,883 - \$14,685)		<u><u>\$ 411,198</u></u>
PERCENTAGE OF AGGREGATE INDEBTEDNESS TO		
NET CAPITAL	<u>\$ 220,274</u>	
	<u>\$ 425,883</u>	<u><u>51.72%</u></u>

There was no material difference between the computation of Net Capital presented above and the Company's most recently filed Form X-17a-5, Part IIA as of December 31, 2021



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of  
I(X) Securities, LLC:

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) I(X) Securities, LLC (the "Company") did not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3, and (2) the Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to private placements of securities as an Agent on a Best Efforts basis only. In addition, the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, did not carry accounts of or for customers and did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

I(X) Securities, 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 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 upon the Company's business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5, and related SEC Staff Frequently Asked Questions.

Hauppauge, New York  
February 22, 2022

*Nawrocki Smith LLP*

**I(X) SECURITIES, LLC**  
**DECEMBER 31, 2021**

**i(x) Securities, 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 does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to private placements of securities (including affiliate management investment companies) as an Agent on a Best Efforts basis only and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and
- (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

---

i(x) Securities, LLC

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

By: Edward Kuhnle

Title: President

Date: 2/22/2022