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

FILING FOR THE PERIOD BEGINNING 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: INVESTMENT PLACEMENT GROUP

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.)

350 TENTH AVE SUITE #1150

SAN DIEGO, (City) CALIFORNIA (State) 92101 (Zip Code)  
(No. and Street)

PERSON TO CONTACT WITH REGARD TO THIS FILING

MARTHA E. SOTO-ACEVES (Name) (619) 326-1250 (Area Code - Telephone Number) martha@ipgsd.com (Email Address)

B. ACCOUNTANT IDENTIFICATION

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

MARCUM, LLP.  
(Name - if individual, state last, first, and middle name)

NINE PARKWAY NORTH SUITE 200 (Address) DEERFIELD, ILLINOIS (City) 60015 (State) (Zip Code)

10/16/2003 (Date of Registration with PCAOB)(if applicable) 688 (PCAOB Registration Number, if applicable)

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\* 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.

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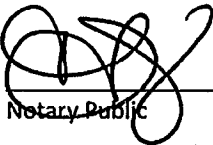
PUBLIC

RMS

OATH OR AFFIRMATION

I, Martha E. Soto-Aceves, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Investment Placement Group, 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:   
Title: Chief Financial Officer

 (SEE ATTACHED)  
Notary Public

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 (as defined in § 210.1-02 of Regulation S-X).
- (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.

## ACKNOWLEDGMENT

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 SAN DIEGO )

On FEBRUARY 23, 2022 before me, MARITA MACIAS, NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared MARTHA ELIZABETH SOTO  
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~/~~s~~ are subscribed to the within instrument and acknowledged to me that he~~/she~~/they executed the same in his~~/her~~/their authorized capacity~~(ies)~~, and that by his~~/her~~/their signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)





## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of  
Investment Placement Group

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Investment Placement Group (the "Company") as of December 31, 2021 and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of the Company as of December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement 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 statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor since 2018.

*Marcum LLP*

Deerfield, Illinois  
February 16, 2022



# INVESTMENT PLACEMENT GROUP

## STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2021

### Assets

Cash, cash equivalents, and restricted cash	\$ 630,405
Receivables:	
Clearing organizations	394,458
Other	20,074
Securities owned, at fair value	9,138,112
Prepaid expenses and other assets	580,115
Furniture, equipment, and leasehold improvements, net	12,127
Deferred tax assets	201,904
Right of use assets - operating leases, net	1,338,276
Due from related party	343,373
<b>Total Assets</b>	<b>\$ 12,658,844</b>

### Liabilities and Shareholders' Equity

#### Liabilities

Note payable - bank	\$ 482,578
Accounts payable and accrued expenses	305,208
Commissions payable	775,882
Due to clearing organization	1,751,899
Lease liabilities	1,517,249
<b>Total Liabilities</b>	<b>4,832,816</b>

#### Shareholders' Equity

Common stock - Series A, no par value, 146,719 shares authorized, issued and outstanding	3,832,041
Additional paid-in-capital	565,075
Retained earnings	3,428,912
<b>Total Shareholders' Equity</b>	<b>7,826,028</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 12,658,844</b>

*The accompanying notes are an integral part of these financial statements*

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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### NOTE 1 – NATURE OF ORGANIZATION

Investment Placement Group (the "Company"), a California corporation, is a registered broker-dealer in securities under the Securities and Exchange act of 1934, and is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *ACCOUNTING METHOD*

The Company follows accounting principles generally accepted in the United States of America ("GAAP") as established by the Financial Accounting Standards Board ("FASB") to ensure consistent reporting of its financial condition, results of operations, and cash flows.

#### *CASH EQUIVALENTS AND RESTRICTED CASH*

The Company considers liquid investments with original maturities of three months or less to be cash equivalents. Restricted cash consists of deposits with clearing organizations. The balance of restricted cash was \$263,802 as of December 31, 2021 and is reported on the Statement of Financial Condition under Cash, cash equivalents, and restricted cash.

#### *RECEIVABLE FROM AND PAYABLE TO CLEARING ORGANIZATIONS AND OTHER RECEIVABLES*

The balances shown as receivable from and payable to clearing organizations and other receivables represent amounts due in connection with the Company's normal transactions involving trading of securities. Management considers all receivables to be collectible; therefore, no allowance for doubtful accounts has been provided.

#### *FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS*

Furniture, equipment and leasehold improvements are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the related assets, which range from five to seven years. Repair and maintenance costs are expensed as incurred. Leasehold improvements are depreciated over the shorter of the lease term or estimated useful life. Improvements which increase the productive value of assets are capitalized and depreciated over the remaining useful life of the related asset.

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *VALUATION OF INVESTMENTS IN SECURITIES AT FAIR VALUE – DEFINITION AND HIERARCHY*

In accordance with GAAP, 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.

In determining fair value, the Company used various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs is 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 assumptions 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 input 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 block 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 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 in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *VALUATION OF INVESTMENTS IN SECURITIES AT FAIR VALUE – DEFINITION AND HIERARCHY (CONTINUED)*

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. The Company uses prices and inputs that are current as of the measurement date, including 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.

#### *VALUATION OF INVESTMENTS IN SECURITIES AT FAIR VALUE – VALUATION TECHNIQUES*

##### Investments in Securities and Securities Owned

The Company values investments in securities that are freely tradable and are listed on a national securities exchange at their last sales price as of the last business day of the year.

##### Corporate Bonds

The fair value of corporate bonds is estimated using readily available market price quotations as of the last business day of the year. Corporate bonds are categorized in Level 1 of the fair value hierarchy.

#### *RIGHT OF USE ASSETS – OPERATING LEASES*

The Company is a lessee in several noncancelable operating leases for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *RIGHT OF USE ASSETS – OPERATING LEASES (CONTINUED)*

The Company has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with our short-term leases on a straight-line basis over the lease term.

The Company made an accounting policy election by class of underlying asset, for computers and other office equipment, to account for each separate lease component of a contract and its associated non-lease components (lessor-provided maintenance) as a single lease component.

#### *INCOME TAXES*

The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

The Company does not have any unrecognized tax benefit as of December 31, 2021. Potential interest and penalties, if any, associated with such uncertain tax positions would be recorded as a component of income tax expense.

#### *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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

### NOTE 3 – FAIR VALUE MEASUREMENTS

The following table presents information about the Company's assets and liabilities measured at fair value as of December 31, 2021:

(see following page)

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

**YEAR ENDED DECEMBER 31, 2021**

### NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Corporate Bonds</b>				
Austria:				
Consumer, cyclical	\$ 195,752	\$ --	\$ --	\$ 195,752
Brazil:				
Financial	449,505	--	--	449,505
Cayman Islands:				
Basic materials	210,052	--	--	210,052
Energy	384,250	--	--	384,250
Colombia:				
Energy	143,439	--	--	143,439
Financial	97,515	--	--	97,515
Utilities	189,702	--	--	189,702
Germany:				
Financial	108,625	--	--	108,625
Luxembourg:				
Airlines	188,252	--	--	188,252
Basic materials	212,002	--	--	212,002
Communications	191,000	--	--	191,000
Consumer, non-cyclical	398,976	--	--	398,976
Energy	418,352	--	--	418,352
Mexico:				
Basic materials	200,750	--	--	200,750
Communications	186,659	--	--	186,659
Consumer, cyclical	489,222	--	--	489,222
Financial	113,095	--	--	113,095
Netherlands:				
Basic materials	232,500	--	--	232,500
Industrial	156,627	--	--	156,627
Spain:				
Energy	159,687	--	--	159,687
Financial	199,858	--	--	199,858
Sweden:				
Financial	192,700	--	--	192,700
United Kingdom:				
Financial	460,562	--	--	460,562
United States:				
Automotive	192,250	--	--	192,250
Basic materials	360,310	--	--	360,310
Communications	422,470	--	--	422,470
Consumer, cyclical	153,000	--	--	153,000
Energy	141,002	--	--	141,002
Technology	205,500	--	--	205,500
<b>Total Corporate Bonds</b>	<b>7,053,614</b>	<b>--</b>	<b>--</b>	<b>7,053,614</b>
<b>Equity</b>				
United States:				
Consumer, cyclical	205,680	--	--	205,680
Communications	87,885	--	--	87,885
Exchange traded funds	1,098,126	--	--	1,098,126
<b>Total Equity</b>	<b>1,391,691</b>	<b>--</b>	<b>--</b>	<b>1,391,691</b>
<b>Mutual Funds</b>				
United States:				
Open end taxable no load funds	692,807	--	--	692,807
<b>Total Mutual Funds</b>	<b>692,807</b>	<b>--</b>	<b>--</b>	<b>692,807</b>
<b>Total Assets</b>	<b>\$9,138,112</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,138,112</b>

## INVESTMENT PLACEMENT GROUP

### NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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#### NOTE 4 – FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

As of December 31, 2021, Furniture, equipment and leasehold improvements, net consisted of the following:

		<u>Useful Life</u>
Furniture and fixtures	\$ 480,437	7
Leasehold improvements	430,482	10
Office equipment	400,227	5
Automobile	31,600	5
Total	<u>1,342,746</u>	
Less: accumulated depreciation and amortization	<u>(1,330,619)</u>	
Furniture, equipment and leasehold improvements, net	<u>\$ 12,127</u>	

#### NOTE 5 – INCOME TAXES

Deferred income taxes are the result of timing differences between book and taxable income. The significant components of the Company's deferred tax assets as of December 31, 2021, was:

##### Deferred tax assets:

Depreciation expense	\$ 74,577
Operating lease amortization	48,322
Unrealized gains and losses	40,768
Realized gains and losses	<u>38,237</u>
Total	<u>\$ 201,904</u>

The provisions of ASC 740-10 "Accounting for Uncertain Income Tax Positions", requires that the impact of tax positions be recognized in the financial statements if they are more likely than not of being sustained upon examination, based on the technical merits of the position. The Company's management has determined that the Company has no uncertain tax positions requiring recognition under ASC 740-10 as of December 31, 2021.

The Company files federal and state income tax returns. The statute of limitations for these jurisdictions is generally three to six years. The Company had no returns under examination as of December 31, 2021.

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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### NOTE 6 - COMMITMENTS AND CONTINGENCIES

#### NOTES PAYABLE

The Company has a note payable with San Diego Private Bank for \$1,358,000. The note calls for the remaining principal loan balance of \$482,578 to bear interest at 4.8% per annum and calls for 36 remaining payments of approximately \$14,435. The note is guaranteed by the Company's shareholders and collateralized by the fixed assets of the Company. The Company is subject to certain financial and non-financial covenants. Future payments on the note are as follows:

Year ending December 31,		
2022	\$	153,101
2023		160,748
2024		168,729
	\$	<u>482,578</u>

#### OPERATING LEASES

The Company has leases for office space in Miami, Florida; Houston, Texas; and San Diego, California that expire in February 2025, May 2022 and May 2023, respectively. The Company classified these leases as operating leases. The Miami and San Diego leases contain renewal options for five years. Because the Company is not reasonably certain to exercise these renewal options, the optional periods were not included in determining the lease term, and associated payments under these renewal options were excluded from lease payments. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for many of the Company's leases, variable payments. The Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

Other information related to leases as of December 31, 2021 was as follows:

Weighted average remaining operating lease term: 2 years

Weighted average discount rate for operating leases: 4.75%

# INVESTMENT PLACEMENT GROUP

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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### NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### OPERATING LEASES (CONTINUED)

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2021 are as follows:

Year ending December 31,	
2022	\$ 892,756
2023	480,893
2024	187,812
2025	31,608
Total undiscounted lease payments	<u>1,593,069</u>
Less: imputed interest	<u>75,820</u>
Total lease liabilities	<u>\$ 1,517,249</u>

#### PAYCHECK PROTECTION PROGRAM LOAN ("PPP LOAN")

The Company entered into a Promissory Note dated February 16, 2021 (the "PPP Loan") with Cal Private Bank as the lender (the "Lender"), pursuant to which the Lender agreed to make a loan to the Company under the Paycheck Protection Program Second Draw loan ("PPP Loan") offered by the U.S. Small Business Administration (the "SBA") in a principal amount of \$516,633 pursuant to Title 1 of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act").

The PPP Loan proceeds are available to be used to pay for payroll costs and other eligible expenses. At least sixty percent (60%) of the loan proceeds must be spent on payroll costs. The amount that will be forgiven will be calculated in part with reference to the Company's full-time headcount during the twenty-four-week period following the funding of the PPP Loan. On August 3, 2021, the Company received approval from the Lender for the formal forgiveness of the PPP Loan.

## INVESTMENT PLACEMENT GROUP

### NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

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#### NOTE 7 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer security transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

Pursuant to clearing agreements, the Company introduces substantially all of its securities transactions to Pershing, its clearing broker, on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of Pershing, in accordance with the clearing agreement, the Company has agreed to indemnify Pershing for losses, if any, which Pershing may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and Pershing monitor collateral on the customers' accounts.

The Company maintains several bank accounts at financial institutions both in the United States and foreign countries. Those balances in the United States accounts are insured either by the Federal Deposit Insurance Commission ("FDIC") up to \$250,000 or the Securities Investor Protection Corporation ("SIPC") up to \$500,000. At times during the year ended December 31, 2021, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits and/or in uninsured foreign accounts. The Company has not experienced any losses in these accounts.

The Company's investment in corporate bonds includes those issued by foreign entities. The Company has not experienced any losses as a result of such investments nor does the Company believe it is exposed to any significant credit risk on its investment in corporate bonds.

#### NOTE 8 – NET CAPITAL REQUIREMENTS

The Company is a registered broker-dealer and, accordingly, is subject to the SEC Uniform Net Capital Rule ("Rule 15c3-1"), which requires the Company to maintain minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2021, the Company had net capital of \$5,009,454 which exceeded required net capital of \$250,000 by \$4,759,454. The Company's ratio of aggregate indebtedness to net capital was .70 to 1 at December 31, 2021, which was less than the maximum ratio of 15 to 1.