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

Washington, DC

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: TWD Securities, LLC (formerly GRP 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.)

1903 Cardinal Way

(No. and Street)

Petaluma

(City)

California

(State)

94954

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Cosmo C. Gould

(Name)

(707) 321-3725

(Area Code – Telephone Number)

cosmo@grpsecurities.com

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

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

Ernst Wintter & Associates LLP

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

675 Ygnacio Valley Road, Suite A200

(Address)

Walnut Creek

(City)

California

(State)

94596

(Zip Code)

February 24, 2009

(Date of Registration with PCAOB)(if applicable)

3438

(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.

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## OATH OR AFFIRMATION

I, Cosmo C. Gould, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of TWD Securities, LLC (formerly GRP 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: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
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.**

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**

**December 31, 2021**

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Walnut Creek, CA 94596

(925) 933-2626  
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**Report of Independent Registered Public Accounting Firm**

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To the Members of  
TWD Securities, LLC

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of TWD Securities, LLC (the "Company") as of December 31, 2021, the related statements of income, changes in members' equity and cash flows for the year then ended, and the related notes and schedules I and II (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 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 the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Auditor's Report on Supplemental Information**

Schedules I and II have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, schedules I and II are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ernst Wintter + Associates LLP*

We have served as the Company's auditor since 2015.  
Walnut Creek, California  
February 23, 2022

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**

**Statement of Financial Condition**

**December 31, 2021**

<b>Assets</b>	
Cash	\$ 501,936
Referral fees receivable	2,193,873
Prepaid expenses	12,590
<b>Total Assets</b>	<b>\$ 2,708,399</b>
<b>Liabilities and Members' Equity</b>	
<b>Liabilities</b>	\$ -
<b>Members' Equity</b>	
Class A, 60 units	83,422
Class B, 40 units	729,020
Class C, 65 units	1,895,957
<b>Total Members' Equity</b>	<b>2,708,399</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 2,708,399</b>

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

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**

**Statement of Income**

**For the Year Ended December 31, 2021**

<b>Revenue</b>	
Referral fees	\$ 18,317,536
<b>Total Revenue</b>	<b>18,317,536</b>
<hr/>	
<b>Operating Expenses</b>	
Professional fees	70,248
Regulatory fees	21,873
Rent expense	5,400
Other operating expenses	17,168
<b>Total Expenses</b>	<b>114,689</b>
<b>Net Income</b>	<b>\$ 18,202,847</b>

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

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**

**Statement of Changes in Members' Equity**

**For the Year Ended December 31, 2021**

	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>Total</b>
<b>Members' Equity at January 1, 2021</b>	\$ 56,441	\$ 729,733	\$ 1,622,422	\$ 2,408,596
Contributions	-	-	5,000	5,000
Distributions	(32,500)	(4,812,172)	(13,063,372)	(17,908,044)
Net income	59,481	4,811,459	13,331,907	18,202,847
<b>Members' Equity at December 31, 2021</b>	\$ 83,422	\$ 729,020	\$ 1,895,957	\$ 2,708,399

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

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**

**Statement of Cash Flows**

**For the Year Ended December 31, 2021**

<b>Cash Flows From Operating Activities</b>	
Net income	\$ 18,202,847
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Referral fees receivable	(199,852)
Prepaid expenses	(12,590)
Increase (decrease) in:	
Accounts payable	(11,790)
<b>Net Cash Provided By Operating Activities</b>	<b>17,978,615</b>
<b>Cash Flows From Financing Activities</b>	
Contributions	5,000
Distributions	(17,908,044)
<b>Net Cash Used In Financing Activities</b>	<b>(17,903,044)</b>
<b>Net Increase In Cash</b>	<b>75,571</b>
Cash at beginning of year	426,365
<b>Cash At End Of Year</b>	<b>\$ 501,936</b>

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

# **TWD Securities, LLC** **(formerly GRP Securities, LLC)**

## **Notes to the Financial Statements**

**December 31, 2021**

### **1. Organization**

TWD Securities, LLC (formerly GRP Securities, LLC) (the “Company”) was organized as a California limited liability company on August 28, 2007. The Company operates as an accommodating broker dealer receiving referral fees from a broker dealer and an investment advisory firm. The Company is registered with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”). The Company operated as GRP Securities, LLC through December 19, 2021.

### **2. Significant Accounting Policies**

#### **Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

#### **Use of Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

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

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments approximate the carrying values of such amounts. The Company has no financial instruments required to be reported at fair value on a recurring basis.

#### **Cash and Cash Equivalents**

The Company considers all demand deposits held in banks and certain highly liquid investments with original maturities of three months or less, other than those held for sale in the ordinary course of business, to be cash equivalents. There were no cash equivalents at December 31, 2021.

#### **Referral Fees Receivable**

Referral fees receivable represents amounts that have been earned and are due from a broker dealer and an investment advisory firm. The Company accounts for estimated credit losses on financial assets measured at an amortized cost basis in accordance with FASB ASC 326-20, *Financial Instruments - Credit Losses*. FASB ASC 326-20 requires the Company to estimate expected credit losses over the life of its financials assets as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts.

The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the Statement of Financial Condition that is deducted from the asset’s amortized cost basis. Changes in the allowance for credit losses are reported as credit loss expense on the Statement of Income. Per management’s analysis, no allowance for credit losses was considered necessary as of December 31, 2021.

#### **Leases**

Leases that have terms of one year or less are deemed short term and are expensed as incurred on the Statement of Income. For the year ended December 31, 2021, the Company had one month-to-month operating lease.

**TWD Securities, LLC  
(formerly GRP Securities, LLC)**

**Notes to the Financial Statements**

**December 31, 2021**

**2. Significant Accounting Policies (continued)**

**Revenue**

The Company earns referral fees from a broker dealer and an investment advisory firm. In general, the Company recognizes revenue upon the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The Company's revenue recognition accounting policies are as follows:

***Referral Fees***

The Company earns referral fees by providing administrative services to its members. Referral fees are calculated as a percentage of member commissions from providing brokerage services and investment advice and are recorded at a point in time when earned on a trade date basis or completion of advisory services.

***Contract Balances***

Income is recognized upon completion of the related performance obligation and when an unconditional right to payment exists. The timing of revenue recognition may differ from the timing of customer payments. A receivable is recognized when a performance obligation is met prior to receiving payment. Typically, the Company receives payment from a broker dealer and an investment advisory firm in the month following the trade date or completion of advisory services. Therefore, receivables related to revenue from contracts with customers totaled \$1,994,021 and \$2,193,873 as of January 1, 2021 and December 31, 2021, respectively.

Alternatively, fees received prior to the completion of the performance obligation are recorded as deferred revenue on the Statement of Financial Condition until such time when the performance obligation is met. There was no deferred revenue as of January 1, 2021 and December 31, 2021.

**Income Taxes**

The Company is taxed as a partnership under the Internal Revenue Code and a similar state statute. In lieu of income taxes, the Company passes 100% of its taxable income and expenses to its members. Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company is no longer subject to state income tax examination by authorities for years before 2017.

In the event of an Internal Revenue Service ("IRS") examination, IRS is allowed to collect any underpayments of tax from partnerships (and entities taxed as partnerships) rather than the individual partners. If the IRS examines partnership items in a prior year under examination, any tax adjustments will be taken into account at the partnership level in the current year when the examination is complete. The partnership will pay the tax, interest, and penalties on underpayments using the highest statutory corporate or individual rate, which can be reduced under certain circumstances. Management does not believe these changes have an effect on the Company's financial statements as of and the for the year ended December 31, 2021.

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**

**Notes to the Financial Statements**

**December 31, 2021**

**3. Member Interests**

In accordance with the Company's Operating Agreement (the "Agreement"), no member of the Company shall be personally liable for any debts, losses, or obligations of the Company. The Company, without limit, can issue Class B Member and Class C Member units, but shall have no right to create a class of units superior to the Class A Member units without written consent of the Class A Member, the managing member.

Net referral fees earned by Class B and C are allocated and distributed to them at 99.5% and 99%, respectively. The remaining net referral fees are allocated to Class A in accordance with the Agreement. The expenses of the Company are allocated to Class A member only.

**4. Net Capital Requirements**

The Company is subject to the SEC's uniform net capital rule (Rule 15c3-1) which requires the Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At December 31, 2021, the Company's net capital was \$501,936, which exceeded the requirement by \$496,936.

**5. Risk Concentration**

Financial instruments that potentially subject the Company to significant concentration of credit risk consist principally of cash. For the year ended December 31, 2021, the Company maintains cash balances which, at times, may exceed federally insured limits. The Company has not experienced any losses on its cash deposits.

Referral fees receivable are from two payors, a broker dealer and an investment advisory firm.

**6. Risks and Uncertainties**

The global pandemic caused by COVID-19 developed rapidly in 2020 and continued in 2021 resulted in a high level of uncertainty and volatility that impacted businesses in all sectors.

At this stage, the impact to the Company's business and financial results has not been significant based on the type of business conducted. Based on management's experience to date, management expects this to remain the case. The Company has taken certain health and safety operational measures and continues to follow government policies and advice. While there has not been a material impact thus far, the timeframe and outcome of the pandemic are uncertain.

**7. Subsequent Events**

The Company has evaluated subsequent events through February 23, 2022, the date which the financial statements were issued.

**Supporting Schedules**  
**Pursuant to Rule 17a-5 of the Securities Exchange Act**

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**  
**Schedule I**

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

**As of December 31, 2021**

<b>Net Capital</b>	
Total members' equity	\$ 2,708,399
Less: Non-allowable assets	
Referral fees receivable	2,193,873
Prepaid expenses	12,590
<b>Total non-allowable assets</b>	<b>2,206,463</b>
<b>Net Capital</b>	<b>501,936</b>
Net minimum capital requirement of 6 2/3% of aggregate	
indebtedness of \$0 or \$5,000, whichever is greater	5,000
<b>Excess Net Capital</b>	<b>\$ 496,936</b>

**Reconciliation with Company's Net Capital Computation**  
**(Included in Part II of Form X-17A-5 as of December 31, 2021)**

Net capital, as reported in Company's	
Part II of Form X-17-A-5 as of Form X-17-A-5 as of December 31, 2021	\$ 501,936
Increase in members' equity by increase in referral fees	1,083,094
Increase in referral fees receivable	(1,083,094)
<b>Net Capital Per Above Computation</b>	<b>\$ 501,936</b>

**TWD Securities, LLC**  
**(formerly GRP Securities, LLC)**  
**Schedule II**

**Computation for Determination of the Reserve Requirements and  
Information Relating to Possession or Control Requirements for  
Brokers and Dealers Pursuant to Rule 15c3-3**

**For the Year Ended December 31, 2021**

The Company receives referral fees based on mutual fund and variable annuity transactions effected at another broker dealer. The Company does not accept customer funds or securities and did not have possession of any customer funds or securities in connection with these activities. Therefore, in reliance on Footnote 74 to SEC Release 34-70073 and as discussed in Q & A 8 of the related FAQ issued by SEC staff, the firm did not claim an exemption from SEA Rule 15c3-3 as it does not effect transactions for anyone defined as a customer under Rule 15c3-3, and there are no items to report under the requirements of this Rule.

675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
Fax (925) 944-6333

**Review Report of Independent Registered Public Accounting Firm**

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To the Members of  
TWD Securities, LLC

We have reviewed management's statements, included in the accompanying SEA Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) TWD 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 mutual fund and variable annuity transactions effected at another broker-dealer. 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.

The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the 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.

*Ernst Winter + Associates LLP*

Walnut Creek, California  
February 23, 2022

## SEA Rule 15c3-3 Exemption Report

TWD Securities, LLC (formerly GRP 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: (1) mutual fund and variable annuity transactions effected at another broker-dealer, 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.

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TWD Securities, LLC (formerly GRP Securities, LLC)

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



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Cosmo C. Gould  
Chief Compliance Officer

February 23, 2022