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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: AOS, Inc dba TradingBlock and MoneyBlock

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.)

311 South Wacker Drive, Suite 1775

(No. and Street)

Chicago

IL

60606

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Robert Wallace

(312) 253-0411

rwallace@tradingblock.com

(Name)

(Area Code - Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

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

Ryan & Juraska LLP

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

141 West Jackson Blvd Chicago

IL

60604

(Address)

(City)

(State)

(Zip Code)

March 24, 2009

3407

(Date of Registration with PCAOB)(if applicable)

(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.

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.

RMS

OATH OR AFFIRMATION

I, Robert Wallace, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of AOS, Inc dba TradingBlock and MoneyBlock, as of 12/31, 21, 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.

[Handwritten signature]



Notary Public

Signature: [Handwritten signature]

Title: CFO

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: Independent Auditor's Report on Internal Controls

\*\*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.

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**RYAN & JURASKA LLP**  
Certified Public Accountants

141 West Jackson Boulevard  
Chicago, Illinois 60604

Tel: 312.922.0062  
Fax: 312.922.0672

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

To the Board of Directors and Shareholder  
of AOS, Inc.

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of AOS, Inc. (the Company) as of December 31, 2021, and the related notes (collectively referred to as the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of AOS, Inc. 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 AOS, Inc.'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 AOS, Inc. 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 have served as AOS, Inc.'s auditor since 2020.

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. 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.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 25, 2022

**AOS, Inc.**  
**Statement of Financial Condition**  
**As of December 31, 2021**

**Assets**

Cash	\$ 708,247
Cash Deposits with Clearing Organizations	2,382,175
Receivables from Clearing Organizations and Executing Brokers	1,071,195
Commissions & Exchange Rebates Receivable	133,147
Other Assets	55,439
Operating Lease Right of Use	\$ 730,865
Total Assets	<u>\$ 5,081,068</u>

**Liabilities and Shareholder's Equity**

Liabilities

Commissions Payable	\$ 345,025
Accounts Payable	931,020
Due to Client	49,980
Operating Lease	741,817
Total Liabilities	<u>2,067,842</u>

Shareholder's Equity

Common stock, \$0.01 par value per share	20
100,000 shares Authorized, 2,000 Shares Issued and Outstanding	
Paid-in-Capital	2,709,075
Retained earnings	304,131
Total Shareholder's Equity	<u>3,013,226</u>
Total Liabilities and Shareholder's Equity	<u>\$ 5,081,068</u>

See accompanying notes to financial statement.

**AOS, Inc.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2021**

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

*Nature of Operations*

AOS, Inc. (the “Company”), is a broker-dealer, registered with the Financial Industry Regulatory Authority (“FINRA”), and licensed by the Securities and Exchange Commission (“SEC”). The Company is wholly-owned by Cambria Holdings, Inc. (“Parent Company”). The Company does business as “TradingBlock” and “MoneyBlock”.

The Company, as a broker-dealer, is engaged in various securities trading and brokerage activities and does not carry margin accounts, promptly transmits all customer funds and delivers all securities received in connection with the Company’s activities as a broker-dealer, and does not otherwise hold funds or securities for, or owe money or securities to, customers. The trading and brokerage activities are provided through the Company’s fully-disclosed correspondent relationships with APEX Clearing Corporation and with RQD\* Clearing, LLC. The Company is also registered as an Independent Introducing Broker (“IB”) with the Commodity Futures Trading Commission and is a member of the National Futures Association.

*Basis of Presentation*

This financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

*Use of Estimates*

The preparation of the financial statement in conformity with GAAP requires the Company’s management to make estimates and assumptions that affect the amounts disclosed in the financial statement. Actual results could differ from those estimates.

*Revenue Recognition*

The Company recognizes revenue in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Topic 606, *Revenue from Contracts with Customers*. That guidance was amended to require business entities to recognize revenue to depict 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 said services. This amendment to has been effective since December 15, 2017. The amendment to Topic 606 has had no impact to the Company’s financial statement, as AOS, Inc. has always upheld this standard, since the inception of AOS, Inc as a broker-dealer.

Commission revenue earned on customer security transactions is accounted for on a trade-date basis. Exchange rebate revenue is accounted for on a trade-date basis. Reimbursable exchange, execution and platform fees are charged to customers to reimburse the Company for Exchange, Execution and Platform Costs; these are also recognized on a trade-date basis.

The Company buys and sells securities on behalf of its customers. Each time a customer enters a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership of the securities have been transferred to/from the customer.

Revenue is also received from investment companies for commissions and fees on mutual funds, variable annuities and trailing commissions related to these financial instruments. These revenues are recognized on the completion of the performance obligation and in the period earned.

**AOS, Inc.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2021**

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*Current Expected Credit Losses*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends several aspects of the measurement of credit losses on financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Losses (CECL) model and amending certain aspects of accounting for purchased financial assets with deterioration in credit quality since origination. The new standard is effective for fiscal years beginning after December 15, 2019. Expected credit losses on receivables will be measured based on historical experience, current conditions and forecasts that affect the collectability of the reported amount. The Company has completed its analysis as of December 31, 2021, related to the above noted financial assets within the scope of ASC 2016-13, Topic 326 and identified no material current expected credit loss to be recorded.

*Cash Equivalents*

The Company considers its demand deposits and money market accounts with an original maturity of three months or less to be cash equivalents.

*Cash Deposits with Clearing Organizations*

The Deposits with Clearing Brokers consist of four elements, an Apex Good Faith Cash Deposit of \$753,432, an Apex Sweep on Demand Cash Account with a balance of \$1,373,743, an RQD Good Faith Cash Deposit of \$250,000 and an RQD Sweep on Demand Cash Account with a balance of \$5,000.

*Receivables from Clearing Organization and Executing Brokers*

The accrued balance due from clearing organization and from executing brokers is for trading commissions and exchange rebates.

**2. Net capital requirement**

The Company is subject to the Securities and Exchange Commission's uniform net capital rule (Rule 15c3-1) which requires the Company to maintain a minimum net capital equal to or greater than \$250,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. As of December 31, 2021, the Company's net capital was \$2,824,641, which exceeded the requirement by approximately \$2,574,641.

The Company is also subject to the CFTC's minimum capital requirements under Regulation 1.17. Under these rules, the Company is required to maintain "adjusted net capital" equivalent to the greater of \$45,000 or \$3,000 per associated person or \$6,000 per branch including the main office. On December 31, 2021, the company's net capital of \$2,824,641 exceeded the required net capital under the CFTC's minimum capital requirements by \$2,574,641. The Company's minimum net capital requirement is the greater of the requirement under Regulation 1.17 or Rule 15c3-1.

**3. Lease commitments**

The Company has a non-cancelable operating lease for office space that expires in November 2028. The future minimum annual commitments, as of December 31, 2021, are under the lease are as follows:

<b>Year</b>	
2022	\$ 66,325
2023	\$135,685
2024	\$139,077
2025	\$142,554

**AOS, Inc.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2021**

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2026	\$146,117
2027	\$149,770
2028	\$140,429
Total	\$919,957

In connection with the FASB standard 842 regarding leases, effective January 1, 2019, management has evaluated the financial impact the standards will have on the Company's financial statements using a modified retrospective transition approach. As of December 31, 2021, the Company has recorded a right to use asset in the amount of \$730,865, which is offset by a liability in the amount of \$741,817 for its Chicago lease. Amounts disclosed for lease assets and liabilities are computed using a discount rate of 6%.

**4. Concentration of credit risk**

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. The cash in the bank as of December 31, 2021 was \$708,247, which exceeded federally issued limits by \$458,247..

The Company does not hold customer-segregated cash, securities or futures positions, or securities balances. Customer accounts are introduced to a self-clearing securities broker-dealer or a futures commission merchant ("FCM") that carries the respective customers' accounts and processes their securities or futures transactions on a "fully disclosed" basis. In conjunction with this arrangement, the Company may become contingently liable for any unsecured debit balances in the customer accounts introduced by the Company. Customer activities may expose the Company to off-balance-sheet credit risk in the event the introduced customer is unable to fulfill its contracted obligations to the clearing broker-dealer or FCM to whom it was introduced. The Company seeks to control such credit risks by monitoring its exposure to the risk of loss daily, on an account-by-account basis.

The Company maintains an Exclusive Benefit of Customers account for potential future use. The account has not been used for the past six years. The current balance is \$1,000.

The Company has a high concentration of its equity (71%) on deposits with its clearing broker Apex. The Company finds no significant risk in this arrangement.

**5. Income taxes**

The Company is organized as a C Corp and is included in the consolidated federal income tax return filed by the Parent. Federal income taxes are calculated as if the Company filed on a separate return basis, and the amount of current tax or benefit calculated is either remitted to or received from the Parent. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements. Currently enacted tax laws and rates applicable to the period in which the deferred tax is expected to be realized or settled are used, as prescribed in FASB ASC 740. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. The Company did not have any material amounts accrued for interest penalties on December 31, 2021. Interest or penalties on income taxes, if incurred, are recognized on the Statement of Operations. There were no material uncertain tax positions as of December 31, 2021.

**AOS, Inc.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2021**

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The Parent's income tax returns are subject to examination by the appropriate tax jurisdictions for the current and prior three years.

**6. FASB ASC 820**

FASB ASC 820, Fair Value Measurement (ASC 820), has no material effect on these financial statements. As of December 31, 2021 the Company had no assets or liabilities required to be disclosed under ASC 820.

**7. Employee Benefits**

The Company has established a salary reduction 401K plan for qualified employees. In the future the company may elect to match the percentage of employee contributions up to a defined maximum.

**8. Commitments and Contingencies**

The Company may become subject to various legal proceedings in the ordinary course of business, including civil claims, litigation, regulatory issues, and arbitration matters. As of December 31, 2021, the Company was a party to one state regulatory matter. The Company believes the matter will not result in any material adverse effect to the Company's financial position.

Additionally, in the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide indemnification under certain circumstances. The Company's maximum claim exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of loss or future obligations under these indemnifications to be remote.

**9. Financial Instruments with Off-Balance-Sheet Risk and Concentration of Credit Risk**

In the normal course of business, the Company's securities activities involve the execution, clearance and settlement of various securities transactions with its executing brokers. Off-balance sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual agreements. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers.

Since the Company does not clear its own securities transactions, it has established accounts with its clearing broker for this purpose. This can result in a concentration of credit risk with the firm. Such risk, however, is mitigated by the clearing broker's obligation to comply with rules and regulations of the SEC and FINRA.

**10. Guarantees**

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in underlying value related to an asset, liability, or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others. The Company has issued no guarantees effective on December 31, 2021 or during the year then ended, except as described in note 9 above.

**11. Subsequent Events**

This financial statement was approved by management and available for issuance on February 25, 2022. Subsequent events have been evaluated through this date. There were no subsequent events requiring disclosures or adjustments.