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**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 10/01/21 AND ENDING 09/30/22  
MM/DD/YY MM/DD/YY

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<b>SEC FILE NUMBER</b>
<b>8-67669</b>

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Consensus 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.)

100 River Ridge Drive, Suite 202

(No. and Street)

Norwood

MA

02062

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Elizabeth White

617-437-6565

bwhite@consensusadvisors.com

(Name)

(Area Code - Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

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

Morris & Morris, P.C.

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

32 Kearney Rd

Needham Heights

MA

02494

(Address)

(City)

(State)

(Zip Code)

01/06/2010

4066

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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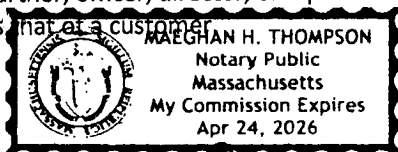
\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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, Elizabeth White, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Consensus Securities LLC, as of 9/30, 2022, 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.



  
Notary Public

Signature: Elizabeth White  
Title: FINOP

### 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.

**CONSENSUS SECURITIES LLC**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>Report of Independent Registered Public Accounting Firm</b>	1
<b>Financial Statements</b>	
Statement of Financial Condition	2
Notes to Financial Statements	3-6

# MORRIS MORRIS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

November 22, 2022

**TO THE DIRECTORS AND EQUITY OWNER OF  
CONSENSUS SECURITIES, LLC**  
100 River Ridge Drive, Suite 202  
Norwood, MA 02062

### *Opinion on the Financial Statements*

We have audited the accompanying statement of financial condition of Consensus Securities, LLC (the "Company") as of September 30, 2022, 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 the Company as of September 30, 2022, 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.



Morris & Morris, P.C.

Certified Public Accountants

We have served as the Company's auditor since 2022.

Needham Heights, MA 02494

32 Kearney Road • Needham Heights, MA 02494 • (781) 455-6900 • Fax (781) 455-6902



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**CONSENSUS SECURITIES LLC**

**STATEMENT OF FINANCIAL CONDITION**

**SEPTEMBER 30, 2021**

**ASSETS**

Cash and cash equivalents	\$ 384,730
Receivables from customers, net of allowance for bad debt (\$0)	-
Prepaid expenses	<u>13,988</u>
	<u>\$ 398,718</u>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable, accrued expenses, and other liabilities	\$ <u>11,988</u>
	11,988
Member's equity	<u>386,730</u>
	<u>\$ 398,718</u>

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

**CONSENSUS SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS**

Consensus Securities LLC (the "Company") is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA). The Company was organized on May 25, 2007 as a Massachusetts Limited Liability Company to conduct business as a registered broker-dealer under the Securities Act of 1934. The Company is a wholly-owned subsidiary of Consensus Advisors LLC (the "Parent" and sole "Member").

The Company was founded to provide specialized capital raising and investment banking advisory services to mid-sized companies. The term of the company is for 40 years, terminating in May 2047, unless terminated earlier.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of 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 and Cash Equivalents**

The Company considers all highly liquid debt instruments purchased having maturities of three months or less at the date of acquisition to be cash equivalents. The Company may, during the ordinary course of business, maintain account balances with banks in excess of federally insured limits. The Company has not experienced losses on these accounts, and management believes that the Company is not exposed to significant risks on such accounts.

**Income Taxes**

The Company is considered a disregarded entity for tax purposes and therefore is not a taxpaying entity for federal or state income tax purposes. Accordingly, no income tax expense has been recorded in the statements. All income or losses will be reported on the member's income tax returns.

CONSENSUS SECURITIES LLC

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 30, 2022

**NOTE 3 - REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Investment Banking**

*M&A advisory fees.* The Company provides advisory services on mergers and acquisitions (M&A). Revenue for advisory arrangements 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 over time for advisory arrangements in which the performance obligations are simultaneously provided by the Company and consumed by the customer. 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 and recorded as deferred revenue on the accompanying statement of financial condition. At September 30, 2022, there were no contract liabilities.

**Costs to Obtain or Fulfill a Contract with a Customer**

The Company did not incur costs to obtain revenue contracts with its customers. In the event that it did incur these costs, it would amortize the costs to expense over the time period that the services are expected to be provided to the customer.

**Significant Judgments**

Revenue from contracts with customers includes fees from investment banking services. The recognition and measurement of revenue is based on the assessment of individual contract terms. In some circumstances, significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

**Disaggregated Revenue from Contracts with Customers**

All of the Company's revenues were derived from M&A advisory fees.

**CONSENSUS SECURITIES LLC**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**SEPTEMBER 30, 2022**

**NOTE 4 - CASH CONCENTRATIONS**

All cash deposits are held by one major financial institution in the United States. At various times throughout the year, the Company's cash balance may exceed the Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

**NOTE 5 - NET CAPITAL**

As a broker dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital as defined, and a ratio of aggregate indebtedness to net capital as derived, not exceeding 15 to 1. The Company's net capital as computed under SEC Rule 15c3-1 was \$372,742 at September 30, 2022, which exceeded required net capital of \$5,000 by \$367,742. The ratio of aggregate indebtedness to net capital at September 30, 2022 was 3.2%.

**NOTE 6 - CUSTOMER CONCENTRATION**

In 2022, the Company's two largest customers accounted for 54% and 19% of the Company's revenues, respectively.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Company shares office space and utilizes the office supplies, furniture, equipment and employees of its member, Consensus Advisors LLC and its affiliate Consensus Advisory Services LLC. The member considers payment of these expenses on the Company's behalf to be capital contributions from the member. During the year ended September 30, 2022 the member paid \$153,360 for salaries and benefits, \$11,855 for travel expenses, \$19,979 for rent, \$38,124 for overhead expenses and \$6,779 for administrative fees, and was credited \$30,847 representing a professional fee credit, net of fees incurred on the Company's behalf, for a total of \$199,250 in capital contributions.

In the year ended September 30, 2022, the Company paid a discretionary management fee to its affiliate, Consensus Advisory Services LLC, which was authorized by the Company's member, Consensus Advisors LLC. The \$350,000 discretionary management fee is included in professional fees.

**CONSENSUS SECURITIES LLC**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**SEPTEMBER 30, 2022**

**NOTE 8 - CONTINGENCIES**

The Company periodically becomes involved in claims, suits, and other legal matters, all of which arise in the normal course of business. Management does not believe that the outcome of any currently pending matters, either individually or in the aggregate, will have a material impact on the financial statements.

**NOTE 9 - COVID-19**

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but management has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

**NOTE 10 - SUBSEQUENT EVENTS**

The Company has performed an evaluation of events, including possible impacts from the COVID-19 pandemic, that have occurred subsequent to September 30, 2022, and through November 22, 2022, the date of this report. There have been no material subsequent events that occurred during such period that would require disclosure in this report or would be required to be recognized in the financial statements as of September 30, 2022.