

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

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FORM X-17A-5
PART III

SEC FILE NUMBER
8-70183

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 07/01/21 AND ENDING 06/30/22
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Digital Capital Markets 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.)

10211 Fleming Avenue

(No. and Street)

Bethesda

(City)

MD

(State)

20814

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Gary Barnett

(Name)

646-522-1522

(Area Code – Telephone Number)

gary.barnett@digitalcapitalmarkets.net

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Jerome Davies, CPA, P.C.

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

3605 Sandy Plains Rd. Marietta

(Address)

(City)

GA

(State)

30066

(Zip Code)

04/25/2017

(Date of Registration with PCAOB)(if applicable)

6363

(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.

OATH OR AFFIRMATION

I, Gary Barnett, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Digital Capital Markets LLC, as of 6/30, 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: Gary Barnett
Title: CEO, COO, sole member

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.

Digital Capital Markets, LLC

FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2022
AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
Digital Capital Markets, LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Digital Capital Markets, LLC (the Company) as of June 30, 2022, and the related statements of operations, changes in member's equity, and cash flows for the year ended June 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 Digital Capital Markets, LLC as of June 30, 2022, 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 these 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. 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 statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The supplemental information contained in schedules I, II and III has 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, the supplemental information contained in schedules I, II and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2020.



Marietta, Georgia
August 5, 2022

Digital Capital Markets, LLC

STATEMENT OF FINANCIAL CONDITION
June 30, 2022

ASSETS

Cash	\$ 15,843
Prepaid expenses	632
TOTAL ASSETS	\$ 16,475

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:	
Accounts payable	\$ 750
MEMBER'S EQUITY	15,725
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 16,475

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

Digital Capital Markets, LLC

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2022**

EXPENSES:	
Professional fees	\$ 15,450
Regulatory fees	7,366
Computer and internet	\$ 2,424
Occupancy	1,800
Other operating expenses	2,499
Total expenses	29,539
Net loss	\$ (29,539)

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

Digital Capital Markets, LLC

**STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED JUNE 30, 2022**

MEMBER'S EQUITY, BEGINNING OF YEAR	\$ 19,790
Net loss	(29,539)
Member's contributions	25,474
MEMBER'S EQUITY, END OF YEAR	\$ 15,725

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

Digital Capital Markets, LLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

OPERATING ACTIVITIES:	
Net loss	\$ (29,539)
Adjustments to reconcile net loss to net cash used by operating activities	
Changes in operating assets and liabilities:	
Decrease in prepaid expenses	1,110
Net cash used by operating activities	(28,429)
FINANCING ACTIVITIES:	
Member's contributions	25,474
Net cash provided by financing activities	25,474
NET DECREASE IN CASH	(2,955)
CASH AT BEGINNING OF YEAR	18,798
CASH AT END OF YEAR	\$ 15,843

SUPPLEMENTAL CASH FLOW DISCLOSURE

Non Cash financing:

Contributions of Company's expenses paid by member
and forgiveness of rent due to member

\$4,944

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

Digital Capital Markets, LLC

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. ORGANIZATION AND NATURE OF BUSINESS

Digital Capital Markets, LLC (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company is Limited Liability Company formed under the laws of the State of Maryland in June, 2018 and approved by FINRA as a registered broker on July 17, 2019. As a limited liability company the member's liability is limited to their investment.

The Company provides private placement services to institutional investors primarily located in the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company maintains its books and records on the accrual basis of accounting for financial reporting purposes, which is in accordance with U.S. generally accepted accounting principles and is required by the SEC and FINRA.

Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue in accordance ASC 606 *Revenue from Contracts with Customers*, which creates a single framework for recognizing revenue from contracts with customers that fall within its scope.

Revenue is measured based on a consideration specified in a contract with a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.

The Company had no revenue for the year ended June 30, 2022.

Income Taxes

The Company is organized as a limited liability company with a single member and is disregarded as an entity separate from its owner for federal income tax purposes. The member of the Company is responsible for income taxes on the Company's taxable income. Accordingly, no provision of liability for federal income taxes has been included in the accompany financial statements.

The Company may recognize tax benefits from any uncertain positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company's policy is to recognize accrued interest and penalties in general and administration expense. The Company has not recognized in these financial statements any interest or penalties related to income taxes, and has no material unrecognized tax benefits.

3 RELATED PARTY TRANSACTION

The Company leases office space from the Member pursuant to a month-to-month operating lease. Total rent expensed for the year ended June 30, 2022 was \$1,800. There are no amounts payable under such agreement as of June 30, 2022.

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 costs associated with short term leases on a straight-line basis over the lease term.

4 NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2022, the Company had net capital of \$15,093 which was \$10,093 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.05 to 1.

5 CONCENTRATION

The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash.

6 NET LOSS

As shown in the accompanying financial statements, the Company has incurred an operating loss for the year ended June 30, 2022. Furthermore, estimated operating expenses for fiscal year 2023 (based upon actual fiscal year 2022 expenses), is in excess of the cash balance as of June 30, 2022. Management has reduced operating expenses during fiscal 2022, and will continue to monitor operating expenses for opportunities to reduce expenses where possible. In the event the operating losses persist or recur, the Member has the resources and intends to continue funding operations via capital contributions as needed to ensure continued operations and compliance with regulatory capital requirements for one year after the date these financial statements were issued (at a minimum).

7 SUBSEQUENT EVENTS

Management evaluated subsequent events through the date the financial statements were issued.

Digital Capital Markets, LLC

SCHEDULE I

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF JUNE 30, 2022**

TOTAL MEMBER'S EQUITY QUALIFIED FOR NET CAPITAL	\$ 15,725
DEDUCTIONS AND/OR CHARGES:	
Non-allowable asset - prepaid expense	(632)
NET CAPITAL	15,093
AGGREGATE INDEBTEDNESS -	
Accounts payable	\$ 750
Total Aggregated Indebtedness	750
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT -	
Minimum net capital required	5,000
Excess net capital	10,093
Net Capital in excess of the greater of: 10% of aggregate indebtedness or 120% of minimum capital requirements.	\$ 9,093
Percentage of aggregate indebtedness to net capital	4.97%

There is no difference in the above computation and the Company's net capital as reported in the Company's Part IIA (unaudited) FOCUS report as of June 30, 2022.

Digital Capital Markets, LLC

June 30, 2022

SCHEDULE II

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE ACT**

The Company does not claim an exemption from SEA Rule 15c3-3, 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 Company does not (1) directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) does not carry accounts of or for customers and (3) does not carry PAB accounts.

SCHEDULE III

**INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE ACT**

The Company does not claim an exemption from SEA Rule 15c3-3, 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 Company does not (1) directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) does not carry accounts of or for customers and (3) does not carry PAB accounts.

JDCPA

Jerome Davies, CPA, P.C.

3605 Sandy Plains Rd.
Suite 240-480
Marietta, GA 30066
(347) 512-6085

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
Digital Capital Markets, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Digital Capital Markets, LLC (the Company) did not claim an exemption from SEC Rule 15c3-3 in reliance upon Footnote 74 of the 2013 Release adopting amendments to Rule 17a-5, and as discussed in the related guidance stated in the SEC Staff's FAQ, and (2) the Company stated that the Company met the identified conditions for such reliance throughout the year ended June 30, 2022 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 provisions set forth in paragraph (k) of 17 C.F.R. § 240.15c3-3 under the Securities Exchange Act of 1934, and the conditions set forth in Footnote 74 of the 2013 Release adopting amendments to Rule 17a-5.



Marietta, Georgia
August 5, 2022

Digital Capital Markets, LLC

EXEMPTION REPORT YEAR ENDED June 30, 2022

We, as members of management of Digital Capital Markets LLC (the "Company") are responsible for complying with Rule 17a-5, "Reports to be made by certain brokers and dealers". We have performed an evaluation of the Company's compliance with the requirements of Rule 17a-5 and the exemption provisions in Rule 15c3-3(k) (the "exemption provisions") and of the 2013 Release adopting amendments to Rule 17a-5, including Footnote 74 of the 2013 Release.

Accordingly, we have determined that the Company does not meet any of the exemption conditions of paragraph (k) of Rule 15c3-3 (i.e., paragraph (k)(1), (k)(2)(i) or (k)(2)(ii)) but also (1) does not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Exchange Act Rule 15c2-4 ("Rule 15c2-4"); (2) does not carry accounts of or for customers; and (3) does not carry PAB accounts (as defined in Rule 15c3-3) and therefore is covered by Footnote 74 of the 2013 Release.

Furthermore, according to recent guidance in "Frequently Asked Questions Concerning the July 30, 2013 Amendments to the Broker-Dealer Financial Reporting Rule" by the SEC Division of Trading and Markets (Updated July 1, 2020) (the "SEC Staff's FAQ"), in this exemption report, the Company states that it does not claim an exemption under paragraph (k) of Rule 15c3-3 but relies on Footnote 74 and hereby (i) confirms that all of the firm's business activities during the reporting period were private placement agency activities that would effect transactions via subscription, and (ii) states that during the reporting period the firm (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

Accordingly, based on our evaluation we make the following statements to the best knowledge and belief of the Company:

1. We reviewed the provisions of Rule §15c3-3 and related guidance stated in the SEC Staff's FAQ and confirmed that the Company relied on Footnote 74 of the 2013 Release.
2. The Company met the identified conditions for such reliance throughout the most recent fiscal year ended June 30, 2022 without exception.

Digital Capital Markets LLC



Gary Barnett, CEO, CCO and sole member

¹ Available at <https://www.sec.gov/divisions/marketreg/amendments-to-broker-dealer-reporting-rule-faq.htm>.