

OATH OR AFFIRMATION

I, Aaron Dorfman, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Odeon Capital Group LLC, as of 12/31, 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.

MARK D. KNOLL
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02KN6421730
Qualified in NEW YORK County
My Commission Expires 9-7-25

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 (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.

ODEON CAPITAL GROUP, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	\$ 2,922,868
Due from broker	9,238,645
Commissions receivable	2,041,374
Securities owned, at fair value	18,850,137
Other assets	962,064
Right-of-use asset - operating leases	6,183,909
Property, equipment and leasehold improvements, net	<u>272,040</u>
Total Assets	<u>\$ 40,471,037</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Securities sold not yet purchased, at fair value	\$ 5,808,010
Accounts payable and accrued expenses	3,080,345
Commission payable	3,768,892
Stock payable	174,283
Accrued NYC unincorporated business tax	332,900
Lease liability	<u>7,001,665</u>
Total Liabilities	20,166,095

MEMBERS' EQUITY

	<u>20,304,942</u>
Total Liabilities and Members' Equity	<u>\$ 40,471,037</u>

See accompanying notes to the financial statement.

ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022

Note 1 – Nature of Business

Odeon Capital Group, LLC (the "Company") is a New York Limited Liability Company registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC"). The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association (the "NFA").

The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmits all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

The Company is also exempt because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 include certain Investment Banking Income which was received directly outside of the clearing broker accounts, and the Company (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 (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not the Company); (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.

Note 2 – Summary of Significant Accounting Policies

a) Basis of Presentation

This financial statement is prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") and follow the account and reporting guidance in FASB ASC Topic 940, Financial Services – Brokers and Dealers.

b) Income Taxes

For federal and state income tax purposes, the Company is treated as a partnership and as such is not subject to U.S. federal and state income tax. Therefore, no provision for federal and state income tax is recorded. The Company is subject to an entity level tax and non-resident partner taxes for certain states. The Company is also subject to the NYC unincorporated business tax. The Manager periodically evaluates tax positions that the Company has taken, expects to take or that are otherwise relevant to the Company for purposes of determining whether any relevant tax positions would "more-likely-than-not" be sustained by the applicable tax authority. Company management has analyzed such tax positions and has concluded that no unrecognized tax benefits should be recorded for uncertain tax positions for tax years that may be open.

ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

b) Income Taxes (concluded)

On April 19, 2021, New York State created the Pass-Through Entity Tax ("PTET) which permits Partnerships and S-Corporations to make an annual election to be taxed at the entity level at a graduated tax rate which is based on the Company's annual income. Effective for the 2022 tax year, the Company has elected to be taxed in accordance with the provisions of the PTET, which will subject the Company to a minimum tax rate of 6.85% on annual taxable income allocated to its members. The provisional tax implication of the PTET is based on currently available information and interpretations, which are continuing to evolve. Management will continue to analyze additional information and guidance related to the PTET as supplemental legislation, regulatory guidance, or technical interpretations become available. The final impacts may differ from amounts recorded for the year ended December 31, 2022. For the year ended December 31, 2022, the Company paid approximately \$851,206 New York State PTET.

c) Cash and Cash Equivalents

The Company considers demand deposited money market funds and certificates of deposit with original maturities of three months or less to be cash equivalents.

At December 31, 2022, the Company had \$770,314 of restricted cash. \$470,314 of the Company's restricted cash is in a Certificate of Deposit at First Republic Bank that backs a standby letter of credit and \$300,000 is a deposit at Bank of Montreal for foreign exchange leverage.

d) Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements are stated at cost.

The Company's policy is to capitalize any expenditures on equipment in excess of \$500, any expenditures on office furniture and any expenditures on improvements to the office. There were no impairments of fixed assets assessed during the year ended December 31, 2022.

e) Fair Value Measurements

The Company carries its investments at fair value. ASC Topic 820, Fair Value Measurements and Disclosure, defines fair value 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. ASC Topic 820 establishes a fair value hierarchy for inputs 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.

**ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (continued)

e) Fair Value Measurements (concluded)

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Fair values derived from unadjusted quoted prices of identical assets in active markets.
- Level 2 - Fair values derived from quoted prices of similar assets in active markets, quoted prices for identical or similar assets in markets that are not active and model driven valuations in which all significant participant inputs are observable in active markets.
- Level 3 - Fair values derived from inputs which are not observable in markets.

Equities listed on a national exchange are generally valued based on quoted prices from the exchange. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at last quoted bid price. The fair value of bonds are determined using recently executed transactions and market price quotations, when observable, from independent external parties, including brokers. Other assets and securities for which market quotations are not readily available are valued at fair value as determined by management in accordance with GAAP.

Mortgage backed securities, for which the Company receives third-party pricing, are classified as Level 2 inputs as these bonds tend to be illiquid and thus pricing is based on similar bonds.

Level 3 bonds and equities are securities for which the Company holds physical certificates and for which there are no observable markets. These securities are valued at cost. Equities that the Company received as compensation for private placements are Level 3 inputs and are valued at the price of the most recent capital raise.

The Company is consistent in its valuation of Level 2 and Level 3 securities and believes its methods are appropriate. Estimated values could differ from values should a readily available market exist for such items. The table below summarizes the valuation of the Company's investments by fair value hierarchy levels as of December 31, 2022.

<u>Securities owned, at fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds	\$ 6,779,993	\$ 3,665,430	\$ 117,026	\$ 10,562,449
Equities	6,856,810	-	1,430,878	8,287,688
Total	<u>\$ 13,636,803</u>	<u>\$ 3,665,430</u>	<u>\$ 1,547,904</u>	<u>\$ 18,850,137</u>
<u>Securities sold, not yet purchased, at fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds	\$ 5,808,010	\$ -	\$ -	\$ 5,808,010
Equities	-	-	-	-
Total	<u>\$ 5,808,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,808,010</u>

ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

f) Credit Losses

Financial Instruments - Credit Losses ("ASC Topic 326") impacts the impairment model for certain financial assets by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the entire life of the financial asset. The Company has the ability to determine that there are no expected credit losses in certain circumstances (e.g., based on the credit quality of the customer).

The Company identified commissions receivable as impacted by the guidance.

g) Leases

The Company recognizes and measures its leases in accordance with ASC Topic 842, Leases. The Company is a lessee in noncancellable 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, and are measured using the index or rate at the commencement date. Lease payments, including variable payments based on an index or rate, are remeasured when any of the following events occur: the lease is modified, and the modification is not accounted for as a separate contract; certain contingencies related to variable lease payments are resolved; or there is a reassessment of the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee.

Since the implicit rate of the leases are not readily determinable, the Company uses its estimated incremental borrowing rate as the discount rate based on information available at the commencement date. 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 measured at the commencement date at the amount of initially measured lease liability plus any lease payments made to the lessor before or at the commencement date, minus any lease incentives received; plus, any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (i.e., present value of the remaining lease payments), plus any unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

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.

**ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (concluded)

h) Use of Estimates

Management uses estimates and assumptions in preparing the financial statement. Those estimates and assumptions affect the reported amounts of assets and liabilities. The use of estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement during the reporting period. Actual results could differ from those estimates, and the differences may be material.

Note 3 – Commitments and Contingencies

Leases

The Company rents its primary office space pursuant to a lease agreement expiring May 31, 2029, as well as a satellite office pursuant to a lease agreement expiring January 31, 2023, a satellite office pursuant to a lease agreement expiring February 28, 2023 and a satellite office pursuant to a lease agreement expiring February 28, 2026.

Future minimum lease obligations under these leases are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2023	\$ 1,349,413
2024	1,378,777
2025	1,414,211
2026	1,364,527
2027	1,464,861
Thereafter	<u>2,017,567</u>
	8,989,356
Less Imputed Interest	<u>(2,805,447)</u>
	<u>\$ 6,183,909</u>
Weighted average remaining least term:	6.5 years
Weighted average discount rate:	6.0%

The Company established a standby letter of credit that expires on May 31, 2029 in the amount of \$470,314, which is collateralized by a certificate of deposit to secure the lease.

Indemnifications

In the normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statement for these indemnifications.

ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022

Note 4 – Concentrations and Credit Risk

Concentrations of Cash and Cash Equivalents

The Company maintains cash in bank accounts which at times may exceed Federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Financial Statement with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company introduces these transactions for clearance. The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' ability to their obligations to the Company and the Company's ability to liquidate collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

Note 5 – Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements consists of the following at December 31, 2022:

Furniture and fixtures and machinery and equipment	\$ 876,845
Capital improvements	117,521
	<u>994,366</u>
Less: accumulated depreciation	<u>(722,326)</u>
	<u>\$ 272,040</u>

Note 6 – New York Pass Through Entity Tax

For the year ended December 31, 2022, the Company elected to be subject to the New York pass through entity tax. This election causes the Company to be responsible for New York State income taxes in lieu of the LLC members being responsible for income taxes related to the income of the Company. The purpose of this election is to provide a Federal tax deduction that the beneficial owners of the LLC would not otherwise benefit from. For the year ended December 31, 2021, the Company classified these tax payments as LLC member distributions.

ODEON CAPITAL GROUP, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022

Note 7 – Net Capital Requirement under Rule 15c3-1 of the Securities and Exchange Commission

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1), which requires the maintenance of minimum net capital and the percentage of aggregate indebtedness, both as defined, shall not exceed 1500%. At December 31, 2022, the Company had Net Capital of \$9,788,722 which was \$9,229,172 in excess of its required net capital of \$559,550. The Company's ratio of indebtedness to net capital was 85.74%.

Note 8 – Reserve Requirements Under SEC Rule 15c3-3

SEC Rule 15c3-3, Customer Protection

Reserves and Custody of Securities, requires, among other things, every broker or dealer to maintain a Reserve Bank Account in an amount not less than the amount computed in accordance with the Reserve Requirement formula provided under the Rule, unless such broker or dealer is exempted under the exemptive provisions of the Rule. The Company does not carry securities accounts for customers or perform custodial functions relation to customers' securities. Accordingly, the Company claimed an exemption from 17 C.F.R. § 15c3-3 by operating under the exemption provided to Non-Covered Firms under SEC's guidance set forth in circumstances described in Footnote 74 to Exchange Act Release No. 34-70073 (July 30, 2013).

Note 9 – Subsequent Events

The Company has evaluated events and transactions that occurred between January 1, 2023 and March 31, 2023 which is the date the financial statement was available to be issued, for possible disclosure and recognition in the financial statement.



Report of Independent Registered Public Accounting Firm

To the Members
of Odeon Capital Group, LLC

Prager Metis CPAs, LLC

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Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Odeon Capital Group, LLC (the "Company") as of December 31, 2022, 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 the Company as of December 31, 2022 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. 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.

Prager Metis CPAs, LLC

Prager Metis CPAs, LLC

We have served as Odeon Capital Group, LLC's auditor since 2022.

Basking Ridge, New Jersey

March 31, 2023



An affiliate of Prager Metis International

NORTH AMERICA

EUROPE

ASIA