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SECURITIES AND EXCHANGE COMMISSION
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PART III

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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 01/01/2022 AND ENDING 12/31/2022
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: SpeedRoute 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.)

525 Washington Blvd, Suite 300

(No. and Street)

Jersey City

NJ

07310

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Joel Quall

917-275-2236

jquall@tzero.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Baker Tilly US, LLP

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

One Penn Plaza - Suite 3000 New York

NY

10119

(Address)

(City)

(State)

(Zip Code)

October 22, 2003

23

(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.

OATH OR AFFIRMATION

I, Joel Quall, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of SpeedRoute 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.

[Handwritten signature of Alex Vlastakis]

Notary Public

ALEX VLASTAKIS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01VL6326757
Qualified in Richmond County
My Commission Expires 06-22-2023

Signature:

[Handwritten signature of Joel Quall]

Title:

CFO/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...
(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.

SPEEDROUTE, LLC
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022
INCLUDING REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Report of Independent Registered Public Accounting Firm

To the Members and Board of Directors of SpeedRoute, LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of SpeedRoute, 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

The 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 provided a reasonable basis for our opinion.

Baker Tilly US, LLP

We have served as the Company's auditor since 2016.

New York, New York
March 15, 2023

SPEEDROUTE, LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2022

ASSETS

Cash	\$ 4,145,809
Due from broker	287,058
Commissions receivable (net of allowance for credit losses of \$171,435)	4,358,024
Property and equipment (net of accumulated depreciation of \$143,220)	114,572
Other assets	<u>129,018</u>
 TOTAL ASSETS	 \$ 9,034,481

LIABILITIES AND MEMBERS EQUITY

Liabilities:	
Accounts payable and accrued expenses	\$ 5,125,132
Legal fees payable	81,248
Due to broker	2,110
 TOTAL LIABILITIES	 5,208,490
 Members Equity	 <u>3,825,991</u>
 TOTAL LIABILITIES AND MEMBERS EQUITY	 \$ 9,034,481

The accompanying notes are an integral part of these financial statements

SPEEDROUTE, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED

NOTE 1. ORGANIZATION

SpeedRoute, LLC (the “Company”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). The Company provides sponsored access and routing execution services to broker-dealers. The Company does not service direct customers (retail, institutional or proprietary). The Company’s principal place of business is Jersey City , New Jersey.

On February 22, 2022, the Company was sold to Overstock, Medici Ventures and SMPV LLC (collectively, “Members”). As a result the Company entered into a Transition Service Agreement (“TSA”) with tZERO Group, Inc. (“tZERO”) for shared services for the rest of the year. The Company is economically dependent on its Members for funding, for the loss of this relationship could impact the Company’s ability to continue operations. Management does not foresee any events that may result in the loss of this relationship or the ability to fund any deficit of SpeedRoute, LLC.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash consists of funds on deposit at financial institutions. The Company has no cash equivalents at December 31, 2022, which would include highly liquid investments purchased with an original maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with 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 amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Receivables Credit Policy and Current Expected Credit Losses

The Company records a receivable when revenue is recognized prior to payment, and when the Company has an unconditional right to payment. The timing of the revenue recognition may differ from the timing of payment from customers. The Company records contract liability when payment is received, prior to the time at which the satisfaction of

SPEEDROUTE, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED

the service obligation. We had gross receivables related to revenues from contracts with customers of \$4,529,459 and \$2,809,523 on December 31, 2022 and on December 31, 2021, respectively.

Receivables are obligations due from the customer (broker-dealers or exchanges) under terms requiring payments up to thirty days from the previous production month. The Company does not accrue interest on unpaid receivables. Receipts of accounts receivable are applied to specific invoices identified on the customer remittance advice or, if unspecified, are applied to earliest unpaid invoices. Customer receivables balances with invoice dates that are greater than thirty days old are considered aged, non-allowable for regulatory purposes and reviewed for delinquency. The carrying amounts of aged receivables are reduced where necessary, and an allowance of \$171,435 was recorded as of December 31, 2022.

The Company had \$4,358,024 net receivable from third parties on December 31, 2022 respectively. The Company carries its receivables at cost less an allowance for credit losses to present the net amount expected to be collected as of the date of the statement of financial condition. The Company generally does not require collateral. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts.

There were no significant changes in the Company's estimates of expected credit losses during the year ended December 31, 2022, and collections of accounts receivable subsequent to the date of the statement of financial condition.

Property and Equipment

On February 22, 2022 fixed assets were transferred from tZERO Group at the time of sale. These assets carried a combined fair value of \$257,792. Property and equipment are stated at cost less accumulated depreciation for which we determined straight line as the basis for depreciation over 18 months. For the year ended December 31 2023 the Company recorded \$143,220 in depreciation expense.

Revenue Recognition

The Company follows the accounting guidance, "Revenue from Contracts with Customers" (Topic 606). Under Topic 606, a Company is required to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. The Company earns commission revenue by executing trades. The Company's performance obligations consist of trade execution and are satisfied on the trade date; accordingly, commission revenues are recorded on the trade date. Commission revenues are received on settlement date; therefore, a receivable is recognized as of the trade date.

SPEEDROUTE, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED

Concentration of Credit Risk

The Company maintains cash balances with financial institutions in amounts which, at times, are more than amounts insured by the Federal Deposit Insurance Corporation. Management monitors the soundness of these institutions and has not experienced any credit losses with them. All the Company's revenue and receivables are derived from transactions with other Broker Dealers and Exchanges.

During the year ended December 31, 2022, the Company earned revenue from two customers totaling 24%, and 18% of revenues. As of December 31, 2022, 25%, and 13% of accounts receivable was owed from two customers.

Income Taxes

The Company is organized as an LLC and is treated as a disregarded entity for tax purposes. As such the Company is not subject to income taxes. Taxes if any are the responsibility of the members. The members are required to report separately on their income tax return the taxable income or loss of the Company. The Company has elected not to push down the proportional portion of Members income tax expense.

NOTE 3. NET CAPITAL REQUIREMENTS

The Company is subject to the SEC 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 (and the rule of the 'applicable' exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2022, the Company had net capital of \$2,103,420, which was \$1,756,187 in excess of its required net capital of \$347,233. The Company's net capital ratio was 2.48 to 1 as of December 31, 2022.

NOTE 4. RELATED PARTY AND AFFILIATED TRANSACTIONS

On February 22, 2022, the Company entered into a transition services agreement with tZERO. This contract has no formal maturity. This agreement covers the sharing of technology related services, rent, fixed assets and managerial support. For the year ended December 31 2022, the Company combined expenses of \$1,303,187 and paid net service fees to the tZERO in the amount of \$1,175,910 as of December 31, 2022. As of December 31, 2022, the Company had an amount of \$101,333 payable under the transition service agreement that was a part of Accounts payable and accrued expenses.

SPEEDROUTE, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED

NOTE 5. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is a party to a clearing agreement with a third party. For the year ended December 31, 2022, the Company incurred clearing charges of \$1,995,359 as reflected in the Statement of Operations. As of December 31, 2022, the Company has a deposit of \$262,989 with the clearing organization which is recorded within Other assets on the Statement of Financial Condition.

The Company had no lease or equipment rental commitments, no underwriting commitments, no contingent liabilities, and had not been named as defendant in any lawsuit as of December 31, 2022.

The Company is party to certain claims, suits and complaints arising in the ordinary course of business. In the opinion of management, all such matters are without merit, or involve amounts which would not have a significant effect on the financial position of the Company.

The Company is currently the subject of various regulatory reviews by FINRA. In some instances, these matters may rise to a disciplinary action. There is one specific case that management is awaiting to hear back potential fines and penalties from FINRA. Management has estimated that potential fines and penalties may be up to \$50,000 and has accrued that amount accordingly as of December 31, 2022.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2022 consists of:

Computer Equipment & Soft-Computer Hardware	\$ 257,792
Less accumulated depreciation	<u>(143,220)</u>
Property and Equipment, net	<u>\$ 114,572</u>

NOTE 7. GUARANTEES AND INDEMNIFICATIONS

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or non-occurrence of a specified event) 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.

SPEEDROUTE, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED

The Company has issued no guarantees effective at December 31, 2022.

NOTE 8. SUBSEQUENT EVENTS

We have evaluated the impact of all subsequent events through March 15, 2023, the date the Company's financial statements were available to be issued and determined that all subsequent events have been appropriately recognized and disclosed in the accompanying financial statements.