

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

OMB APPROVAL
OMB Number: 3235-0123 Expires: Nov. 30, 2026 Estimated average burden hours per response: 12
SEC FILE NUMBER
8-69959

ANNUAL REPORTS
FORM X-17A-5
PART III

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 01/01/24 AND ENDING 12/31/24
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: KCM Securities, LLC dba Keystone Capital Markets

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.)

20 Pacifica Suite 450

(No. and Street)

Irvine

CA

92618

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Allan A. Siposs

949-397-2700

asiposs@keystone-cap.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

DCPA

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

2121 Avenue of the Stars #800 Century City

California 90067

(Address)

(City)

(State)

(Zip Code)

9/15/2020

6567

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* 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, Allan A. Siposs, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of KCM Securities, LLC dba Keystone Capital Markets, as of 12/31, 2024, 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.

Signature: 

Title: Managing Member

see attached CA acknowledgement dated JAN 23, 2025

Notary Public

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.

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**)

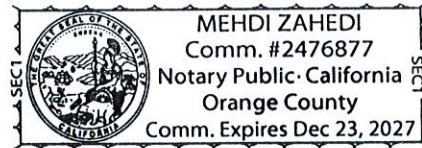
County of **Orange**)

On JAN 23, 2025 before me **Mehdi Zahedi**, notary public Personally appeared _____
ALLAN SIPOSS

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by he/she/they signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Mehdi Zahedi
Mehdi Zahedi, notary public

Notary Seal

OPTIONAL

Though the information below is not required by law, it may prove valuable to person(s) relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Title or type of Document: US Security and exchange commission Annual reports, Form K17A-5, Part III

Document Date JAN 23, 2025 Number of pages: 3 pgs (including this page)

**KCM Securities, LLC
DBA Keystone Capital Markets**

**Financial Statements and Supplemental Schedules
Required by the U.S. Securities and Exchange Commission
Including Independent Auditor's Report Thereon**

For the Year-Ended December 31, 2024

This report is filed in accordance with rule 17a-5(e)(3) Under the Securities Exchange Act of 1934 as a PUBLIC document.

Contents

Independent Auditor’s Opinion 3

Financial Statements 5

Statement of Financial Condition 6

Notes to Financial Statements 7

KCM Securities, LLC
DBA Keystone Capital Markets
Independent Auditor's Opinion
For the Year-ended December 31, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and the Members of KCM Securities, LLC dba Keystone Capital Markets:

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of KCM Securities, LLC dba Keystone Capital Markets (the “Company”) as of December 31, 2024, and the related notes (collectively referred to as the “financial statement”). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of the Company as of December 31, 2024 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 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.

DCPA

DCPA

We have served as the Company's auditor since 2024.
Century City, California
January 18, 2025

KCM Securities, LLC
DBA Keystone Capital Markets
Financial Statements
For the Year-ended December 31, 2024

KCM Securities, LLC
 DBA Keystone Capital Markets
 Statement of Financial Condition
 As of December 31, 2024

Assets

Cash	\$	306,386
Related parties receivable		10,110
Right of Use - Asset		262,340
Prepaid expenses		5,915
Lease deposit		10,866
Total assets	\$	<u>595,617</u>

Liabilities and Members' Equity

Liabilities

Accounts payable	\$	209
Accrued expenses		38,823
Other liabilities		52,876
Long term liability		271,962
Total liabilities		<u>363,870</u>

Members' equity

Members' equity		231,747
Total members' equity		<u>231,747</u>
Total liabilities & members' equity	\$	<u>595,617</u>

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

KCM Securities, LLC
DBA Keystone Capital Markets
Notes to Financial Statements
As of and for the Year-Ended December 31, 2024

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

KCM Securities, LLC (the "Company") is a California Limited Liability Company as of April 20, 2017 and approved by the Financial Industry Regulatory Authority {"FINRA"} and the Securities Exchange Commission ("SEC") on August 28, 2017 to operate as a broker-dealer under the Securities and Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC"). The Company is engaged in the business of conducting investment banking, business evaluations and consulting, and M&A advisory services. The Company does not hold customer funds or securities.

The Company claimed an exemption, in reliance on footnote 74 to SEC release 34-70073, as a Non-Covered Firm for mergers and acquisitions and financial advisory business. KCM Securities, LLC (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).

In June 2020, the Company submitted a name change with FINRA to conduct business as Keystone Capital Markets.

Summary of Significant Accounting Policies

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Company receives fees in accordance with terms stipulated in its engagement contracts. Fees are recognized as earned. The Company also receives success fees when transactions are completed. Success fees are recognized when earned, the Company has no further continuing obligations, and collection is reasonably assured.

Due to the nature of the Company's business, the size of any one transaction may be significant to the Company's operations for the period.

The Company is treated as a pass-through entity for federal income tax purposes, in accordance with limited liability company rules. All tax effects of the Company's income or loss are passed through to the members. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The Company is subject to a limited liability company minimum annual tax and California limited liability company fees based on the California LLC Taxes and Fees schedule.

The Company utilizes certain fully depreciated fixed assets, consisting of office furniture and equipment with an original cost in the aggregate of \$3,196.

KCM Securities, LLC
DBA Keystone Capital Markets
Notes to Financial Statements
As of and for the Year-Ended December 31, 2024

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In accordance with Accounting Standards Codification 842, Leases ("ASC 842"), the Company determines if an arrangement contains a lease at inception based on whether or not the Company has the right to control the asset during the control period and other facts and circumstances. The Company evaluates the classification of leases as operating or finance at inception. Leases that meet one or more of the following criteria will be classified as finance leases:

- The Company can acquire the leased asset at the end of the lease term for a below-market price.
- The ownership of the leased asset is transferred to the Company at the end of the lease period.
- The duration of the lease encompasses at least 75% of the useful life of the leased assets.
- The present value of the minimum lease payments under the lease represent at least 90% of the fair value of the leased asset.

The Company has determined that all leases under which they are the lessee to be operating leases. The Company is the lessee in a lease contract when they obtain the right to control the asset. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Company determines the lease term by assuming the exercise of renewal options that are reasonably certain.

As most of the Company's leases do not provide an implicit interest rate, the Company uses the Prime Rate from the Federal Reserve Bank as a guide for financing over the period of the lease based on the information available at the commencement date in determining the present value of future payments.

Leases with a lease term of 12 months or less at inception are not recorded on the Company's balance sheet and are expensed on a straight-line basis over the lease term in the Company's statement of operations.

Note 2: COMMITMENTS AND CONTINGENCIES

Leases

Effective July 1, 2024, the Company entered into a lease agreement for office space in Irvine, CA. The Company has a security deposit of \$10,865 reflected in the accompanying statement of financial condition. The Company leases the office space through an operating lease set to expire in 2027. Operating lease assets and liabilities as of December 31, 2024, are as follows:

Operating lease ROU assets, net	<u>\$262,340</u>
Operating lease liabilities	<u>\$271,962</u>

Total operating lease costs were approximately \$103,799 for the year ended December 31, 2024.

Weighted-average remaining lease term in years	2 yrs. and 6 mo.
Weighted-average discount rate	4.50%

KCM Securities, LLC
DBA Keystone Capital Markets
Notes to Financial Statements
As of and for the Year-Ended December 31, 2024

Note 2: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Leases (continued)

Information associated with the remaining operating lease obligations as of December 31, 2024 Leases:

Estimated future minimum rental payments required under the lease liabilities together with their present value are approximately as follows:

Year ending December 31,	
2025	112,536
2026	116,474
2027	<u>59,268</u>
Total operating lease payments	<u>288,278</u>
Less imputed interest	<u>(16,316)</u>
Total operating lease liabilities	<u><u>\$271,962</u></u>

Note 3: REVENUE RECOGNITION

Revenues from contracts with customers are comprised of banking and advisory fees. Such fees are recognized at the point in time when the Company's performance under the terms of the contractual arrangement is completed based on certain deliverables within the agreement. The Company has multiple open contracts that have potential success fee revenue. At year end the Company had six open contracts of deferred revenue valued at \$52,876, which is included on the Statement of Financial Condition.

Note 4: INCOME TAXES

The Company is required to file income tax returns in the California state tax jurisdiction ("FTB"). The Company's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. The statute of limitations for state purposes is four years and three years for federal income taxes but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of December 31, 2024, the IRS and FTB have not proposed any adjustment to the Company's tax position.

KCM Securities, LLC
DBA Keystone Capital Markets
Notes to Financial Statements
As of and for the Year-Ended December 31, 2024

Note 5: FAIR VALUE

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

Note 6: RELATED PARTY

The Company receives reimbursement by individual members for costs related to employee compensation (i.e. salaries, hourly wages, payroll taxes, etc.) that are specific to services provided to such individual members. Members are billed monthly for such employee expenses with semi-annual and annual reconciliations to ensure accurate accounting allocations. Reimbursements for 2024 were \$81,433, which is included as Other income on the Statement of Income.

The Company charges certain members and other 3rd parties desk fees for use of the Irvine office location. Desk fee amounts are determined by the members in Irvine and adjusted on an as-needed basis. No formal agreement exists with any of the parties that pay a desk fee to the Company. Desk Fees for 2024 were \$125,248, which is included as Other income on the Statement of Income.

Note 7: NET CAPITAL

The Company is a member of FINRA and is subject to the SEC Uniform Net Capital Rule (SEC 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. The Company's applicable minimum net capital is the greater of \$5,000 or 6-2/3% percent of total aggregated indebtedness. As of December 31, 2024, the Company had net capital of \$204,856 which was \$198,729 in excess of its required net capital of \$6,127. The Company's ratio of aggregate indebtedness (\$91,908) to net capital was 0.45 to 1.

Note 8: REDEMPTION OF MEMBER INTERESTS

During 2024, the Company did not redeem any interests of any of its members.

Note 9: SUBSEQUENT EVENTS

The Company has evaluated events subsequent to the Statement of Financial Condition date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

Note 10: RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

KCM Securities, LLC
DBA Keystone Capital Markets
Notes to Financial Statements
As of and for the Year-Ended December 31, 2024

Note 10: RECENTLY ISSUED ACCOUNTING STANDARDS (continued)

For the year ending December 31, 2024, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.