

**InvestX Markets LLC**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended December 31, 2020**

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

OMB APPROVAL  
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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-67996

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

650-1090 West Georgia

(No. and Street)

Vancouver

British Columbia

V6E 3V7

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Alvarez & Associates, Inc. Certified Public Accountants

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

9221 Corbin Ave. Suite 165

Northridge

CA

91324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

Potential 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, Marcus New, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Investx markets LLC, as of December 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Handwritten Signature]

Signature

[Handwritten Signature]

Notary Public

MICHAEL RAVEN, LL.B. CEO

600 - 1090 West Georgia Street Vancouver, B.C. V6E 3V7

PH: 604-899-6401 FX: 604-608-4716 mraven@beadleraven.com

Title

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) 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 Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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 B.C.
County of Vancouver

Subscribed and sworn to (or affirmed) before me on this 22nd day of FEBRUARY,

2021 by MARCUS NEW proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public [Handwritten Signature]

MICHAEL RAVEN, LL.B.
600 - 1090 West Georgia Street
Vancouver, B.C. V6E 3V7
PH: 604-899-6401 FX: 604-608-4716
mraven@beadleraven.com



# ALVAREZ & ASSOCIATES, INC CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and the Member of InvestX Markets LLC:

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of InvestX Markets LLC (the "Company") as of December 31, 2020, the related statements of operations, changes in member's equity, and cash flows for the year then ended, 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 December 31, 2020, 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.

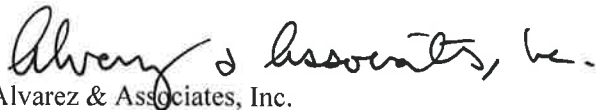
### Basis for Opinion

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.

### Supplemental Information

The information contained in Schedules I and II ("Supplemental Information") 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, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

  
Alvarez & Associates, Inc.

We have served as the Company's auditor since 2019.  
Northridge, California  
February 20, 2021



**INVESTX MARKETS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2020**

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**ASSETS**

Cash	\$	51,452
Accounts receivable, net		42,307
Prepaid expenses		15,873
Security Deposits		37,500
Right of use asset, net		304,394
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>451,526</b>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts Payable	\$	36,202
Lease Liability		327,502
<b>TOTAL LIABILITIES</b>		<b>363,704</b>
Member's Equity		87,822
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$</b>	<b>451,526</b>

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

**INVESTX MARKETS, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Revenue**

Private Placements	\$ 85,339
Reimbursable Expenses	8,000
Total Revenue	<u>93,339</u>

**Expenses**

Salaries and Benefits	38,156
Professional Fees	47,245
Office Space (Rent)	30,901
Regulatory Fees	32,173
Other operating expenses	11,022
Total Expenses	<u>159,497</u>

**Net Loss**

\$ (66,158)

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

**INVESTX MARKETS, LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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	<b>Member's Equity</b>
<b>Balance at January 1, 2020</b>	\$ 17,283
Net Loss	(66,158)
Member Contributions	<u>136,697</u>
<b>Balance at December 31, 2020</b>	<u><u>\$ 87,822</u></u>

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

**INVESTX MARKETS, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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<b>Cash flows from operating activities:</b>	
Net Loss	\$ (66,158)
Adjustments to reconcile net loss to net cash flows used in operating activities:	
Amortization of Right of use asset	20,395
Increase in accounts receivable	(42,307)
Increase in security deposits	(37,500)
Increase in prepaid expenses	(12,616)
Increase in accounts payable	29,194
Accrued interest on lease liability	2,713
<b>Net cash used in operating activities</b>	<u>(106,279)</u>
<b>Cash flows from investing activities:</b>	
	-
<b>Cash flows from financing activities:</b>	
Member contributions	136,697
<b>Net cash provided by financing activities</b>	<u>136,697</u>
<b>Net increase in cash</b>	30,418
<b>Cash and cash equivalents, beginning of year</b>	21,034
<b>Cash and cash equivalents, end of year</b>	<u>\$ 51,452</u>
<b>Supplemental disclosure of non-cash transactions:</b>	
Member contributions in the form of forgiveness of intercompany payable	<u>\$ 39,697</u>
The Company recognized a Right of Use Asset by recording a Lease Liability of \$324,789	
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Interest	\$ -
Income Taxes	\$ -

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

**INVESTX MARKETS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. ORGANIZATION AND NATURE OF BUSINESS:**

**Business**

InvestX Markets, LLC (the “Company”), formerly known as Auctus Securities, LLC, a registered broker-dealer pursuant to section 15 of the Securities Exchange Act of 1934 and is authorized to engage in transactions in private placements of debt and equity securities and as advisor for mergers and acquisitions.

To date and in the foreseeable future, the Company will be dependent on its Parent for capital infusions and administrative support. Although not obligated to do so, the Parent intends to provide capital infusions sufficient to satisfy the net capital requirements, as described in Note 4, for the year ending December 31, 2021.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Revenue Recognition**

Revenue is recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues are analyzed to determine whether the Company is principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the product or service before control is transferred to a customer. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred and discretion in establishing the price.

**Leases**

The Company shares an office space with its Parent under the terms of an expense sharing agreement, which is cancelable with reasonable notice. This agreement is not subject to FASB ASC 842, Leases. The Company records shared expenses monthly as billed.

The Company is a lessee in a non-cancelable operating lease for office space subject to ASC 842, Leases. The lease agreement does not include a termination or renewal option for either party, or restrictive financial or other covenants. The non-cancelable operating lease is set to expire on April 30, 2023.

**INVESTX MARKETS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The components of lease cost for the year ended December 31, 2020 are as follows:

Operating lease cost	\$ 23,107
Short term lease costs	7,794
Total lease cost	<u>\$ 30,901</u>

Amounts reported in the Statement of Financial Condition as of December 31, 2020 are as follows:

Operating leases:	
Right of use asset, net	\$ 304,394
Lease liability	\$ 327,502

Maturities of lease liability under the non-cancelable operating lease as of December 31, 2020 are:

2021	\$ 144,355
2022	151,375
2023	50,878
Total undiscounted lease payments	<u>\$ 346,608</u>
Less imputed interest	(19,106)
Total lease liability	<u>\$ 327,502</u>

**Income Taxes**

No federal or state income taxes have been provided for in the accompanying financial statements, as the operations reflected therein will be included in the Parent's income tax returns, and the Parent is responsible for paying any tax due. While not required to do so, the Company intends to make periodic distributions to its Parent for federal and income taxes that pass through to the Parent.

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 740, Income Taxes*, is the authoritative pronouncement on accounting for and reporting income tax liabilities and expense. FASB ASC 740 prescribes a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position take or expected to be taken. In addition, FASB ASC 740 provides guidance on derecognition, classification and disclosure.

The Company files income tax returns in the U.S. federal jurisdiction, and various other state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, or state and local income tax examinations by tax authorities for years before 2016. It is difficult to predict the final timing and resolution of any particular uncertain tax position. Based on the Company's assessment of many factors, including past experience and complex judgments about future events, the Company does not currently anticipate significant changes in its uncertain tax positions over the next 12 months.

**INVESTX MARKETS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of financial statements in conformity with GAAP 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 these estimates.

**3. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and client receivables. The Company principally uses a bank to maintain its operating cash account. At certain times, the Company's balance in its bank account may be in excess of the Federal Deposit Insurance Corporation insurance limits. The Company performs credit evaluations of its customers and does not require collateral. The Company provides an allowance for doubtful accounts based upon management's review of outstanding balances and its bad debt expense has historically been within management's expectation.

**4. RELATED PARTY TRANSACTIONS**

The Company maintains a service agreement with its Parent for its share of office space as well as other operational activities provided. For the year ended December 31, 2020, salaries and benefits amounted to \$5,250, office space to \$7,795, professional fees to \$10,050, technology to \$4,063 and other office expenses \$12,539, respectively. During 2020 repayment of a portion of allocated service agreement expenses had been forgiven by the Parent totaling \$39,697 and are reflected as capital contributions.

**5. NET CAPITAL REQUIREMENT**

The Company is subject to the SEC Uniform Net Capital Rule (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 December 31, 2020 the Company had net capital of \$25,047, which was \$20,047 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 2.37 to 1.

**6. COMMITMENTS, GUARANTEES AND CONTINGENCIES**

Management of the Company believes that there are no commitments, guarantees or contingencies that may result in a material loss or future obligations as of December 31, 2020.

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial

**INVESTX MARKETS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**6. COMMITMENTS, GUARANTEES AND CONTINGENCIES (CONTINUED)**

markets and the overall economy. In the event such an impact was to occur and last for a sustained period, the operations and financial performance of the Company may be adversely affected. At this point, however, the severity of such an event is highly uncertain and cannot be predicted.

During the year ended December 31, 2020, the Company changed ownership pursuant to a membership interest purchase agreement.

**7. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

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 ("ASU's").

For the year ending December 31, 2020, various ASU's 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.

**8. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through the date the financial statements were available to be issued. On January 27, 2021, the Company received \$50,000 from its Parent as a permanent member contribution.

**INVESTX MARKETS, LLC**  
**SCHEDULE I - COMPUTATION OF NET CAPITAL FOR BROKERS**  
**AND DEALERS UNDER SEC RULE 15c3-1**  
**FOR THE YEAR ENDED ECEMBER 31, 2020**

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Total member's equity	\$ 87,822
Non-allowable assets, deductions and charges:	
Accounts receivable, net	9,402
Security Deposits	37,500
Prepaid expenses	15,873
Total Non-allowable assets	<u>62,775</u>
Net capital	<u>\$ 25,047</u>

**Computation of basic net capital requirements**

Minimum dollar net capital requirement	<u>5,000</u>
Excess net capital	<u>\$ 20,047</u>

**Computation of aggregate indebtedness**

Total aggregate indebtedness in the statement of financial condition	<u>\$ 59,310</u>
Percentage of aggregate indebtedness to net capital	237%

There was no material difference between the net capital computation shown here and the net capital computation shown on the Company's most recently filed Form X-17A-5 Part IIA dated December 31, 2020.

See report of independent registered public accounting firm

**INVESTX MARKETS, LLC**  
**SCHEDULE II - COMPUTATION FOR DETERMINATION OF THE RESERVE**  
**REQUIREMENTS AND INFORMATION RELATING TO POSSESSION OR**  
**CONTROL REQUIREMENTS FOR BROKERS AND DEALERS PURSUANT**  
**TO SEC RULE 15C3-3**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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We have determined that the Company does not meet any of the exemption conditions of paragraph (k) of Rule 15c3-3 (ie., 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 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.

See report of independent registered public accounting firm

**InvestX Markets LLC**  
**Report on Exemption Provisions**  
**Pursuant to 17 C.F.R. § 15c3-3(k)**  
**For the Year Ended December 31, 2020**



**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To Those Charged with Governance and the Member of InvestX Markets LLC:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) InvestX Markets LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which InvestX Markets LLC claimed an exemption as a Non-Covered Firm from the provisions in SEA Rule 15c3-3 as the Company's business activities are, and will remain, limited to business activities in the private placement of securities and (2) InvestX Markets LLC stated that InvestX Markets LLC met the identified exemption provisions throughout the year ended December 31, 2020 without exceptions. InvestX Markets LLC'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 InvestX Markets LLC'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 the Non-Covered Firm provision.

*Alvarez & Associates, Inc.*

Alvarez & Associates, Inc.

Northridge, California  
February 20, 2021



## InvestX Markets, LLC. Exemption Report

We, as members of management of InvestX 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.

We have determined that the Company does not meet any of the exemption conditions of paragraph (k) of Rule 15c3-3 (ie., 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 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.

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 conducted business activities involving private placements to customers throughout the year ended December 31, 2020 without exception.
- 3) The Company met the identified conditions for such reliance throughout the year ended December 31, 2020 without exception.

InvestX Markets, LLC.

By:



Marcus New, CEO

