



**sleeper**

## **SLEEPER MARKETS LLC**

Financial statements  
(with independent auditors' report thereon)

For the period ended  
June 15, 2025



## **Report of Independent Registered Public Accounting Firm**

To the Sole Member of Sleeper Markets, LLC

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Sleeper Markets, LLC as of June 15, 2025, the related statements of income, statement of changes in ownership equity, and statement of cash flows for the period 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 Sleeper Markets, LLC as of June 15, 2025, and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of Sleeper Markets, LLC's management. Our responsibility is to express an opinion on Sleeper Markets, LLC'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 Sleeper Markets, LLC 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 supplemental information listed in the accompanying table of contents has been subjected to audit procedures performed in conjunction with the audit of Sleeper Markets, LLC's financial statements. The supplemental information is the responsibility of Sleeper Markets, LLC'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 CFTC Regulation 1.10. In our opinion, the supplemental information listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as Sleeper Markets, LLC's auditor since 2025.

*Michael Coglianese CPA, P.C.*

Bloomingdale, IL

July 3, 2025



## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL**

To the Sole Member of Sleeper Markets, LLC

In planning and performing our audit of the financial statements of Sleeper Markets, LLC (the "Company") as of and for the year ended June 15, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("Internal Control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. Accordingly, we do not express an opinion on the effectiveness of the Company's Internal Controls.

Also, as required by Regulation 1.16 of the Commodity Futures Trading Commission ("CFTC"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company including consideration of control activities for safeguarding customer and firm assets. This study included test of such practices and procedures that we considered relevant to the objectives stated in Regulation 1.16 in making the following:

- (1) the periodic computations of minimum financial requirements pursuant to Regulation 1.17.

The management of the Company is responsible for establishing and maintaining Internal Control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraphs and to assess whether those practices and procedures can be expected to achieve the CFTC's above-mentioned objectives. Two of the objectives of Internal Control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Regulation 1.16(d)(2) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in Internal Control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's Internal Control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's Internal Control.

Our consideration of Internal Control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in Internal Control that might be material weaknesses. We did not identify any deficiencies in Internal Control and control activities for safeguarding assets and certain regulated commodity customer or firm assets that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the CFTC to be adequate for its purposes in accordance with the Commodity Exchange Act, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures as described in the second paragraph of this report were adequate at June 15, 2025, to meet the CFTC's objectives.

This report is intended solely for the use of the Members, management, the CFTC, and other regulatory agencies that rely on Regulation 1.16 of the CFTC in their regulation of introducing brokers and is not intended to be and should not be used for anyone other than these specified parties.

A handwritten signature in blue ink that reads "Michael Cogliane CPA, P.C." The signature is fluid and cursive, with "Michael" and "Cogliane" being the first and last names, and "CPA, P.C." in a smaller, all-caps font to the right.

Bloomingdale, IL  
July 3, 2025

**SLEEPER MARKETS LLC**  
**Statement of Financial Condition**  
**(In thousands)**

**June 15, 2025**

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 2,491
Prepaid expenses	7
<b>Total current assets</b>	<b>2,498</b>
Property and equipment, net	-
<b>TOTAL ASSETS</b>	<b>\$ 2,498</b>

**LIABILITIES AND OWNERSHIP EQUITY**

**Current liabilities:**

Accounts payable and accrued expenses	\$ -
<b>Total Liabilities</b>	<b>-</b>

**Ownership Equity:**

Initial capital contribution	2,500
Net Loss	(2)
<b>Total Ownership Equity</b>	<b>2,498</b>
<b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b>	<b>\$ 2,498</b>

See accompanying notes to the financial statements.

**SLEEPER MARKETS LLC**  
**Notes to the Financial Statements**

**1. Description of Business**

Sleeper Markets LLC, (or “the “Company”) was formed on March 27, 2025 as a Delaware limited liability company and is headquartered in Las Vegas, Nevada. As of June 15, 2025, the Company is in the initial stages of development and has not yet commenced business operations. The Company has applied for registration as a Futures Commission Merchant (“FCM”) with the National Futures Association (“NFA”). At this time, the Company has not released any products, has no customers, and has not generated any revenue. These financial statements are presented for the period ending June 15, 2025. The Company’s standard year-end is December 31.

**2. Summary of Significant Accounting Policies and Practices**

*Basis of Presentation*

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

*Use of Estimates*

The preparation of financial statements in conformity with U.S. 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 those estimates. Estimates and assumptions are periodically reviewed, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary.

*Cash and Cash Equivalents*

Cash and cash equivalents consist principally of cash deposits. The Company’s bank account which maintains cash and cash equivalents is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 15, 2025 the Company had \$2,240,575 in excess of the FDIC insured limit.

*General and Administrative*

General and administrative expenses consist of regulatory filing fees.

*Income Taxes*

The Company is a flow-through entity. As such, the members are generally liable for federal and state income taxes on their share of the Company’s taxable income. The tax returns of the Company are subject to review by federal and state taxing authorities. Management has assessed the effect of the guidance provided by U.S. GAAP on Accounting for Uncertainty in Income Taxes. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Company had no uncertain income tax positions as of June 15, 2025.

### **3. Fair Value of Financial Instruments**

Fair value is the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value determination in accordance with applicable accounting guidance requires that a number of significant judgments be made. Additionally, fair value is used on a nonrecurring basis to evaluate assets for impairment or as required for disclosure purposes by applicable accounting guidance on disclosures about fair value of financial instruments. Depending on the nature of the assets and liabilities, various valuation techniques and assumptions are used when estimating fair value. The Company follows the provisions of FASB ASC Topic 820, *Fair Value Measurement*, for financial assets and liabilities measured on a recurring basis. The guidance requires fair value measurements be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liabilities.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company has evaluated its financial assets and liabilities and determined that it does not have any instruments that are measured at fair value on a recurring or non-recurring basis under the fair value hierarchy defined in ASC 820. Accordingly, no fair value hierarchy table has been presented.

### **4. Ownership Equity / Related Party Transactions**

As of June 15, 2025 Blitz Studios, Inc., a Delaware C-corporation, is the sole shareholder of Sleeper Markets LLC and contributed \$2.5M of its own funds, in the form of cash, to the bank account of Sleeper Markets LLC. The capital has been contributed for the purpose of operating the business and will continue to be used for such purpose as required by CFTC Regulation 1.10.

### **5. Commitments and Contingencies**

From time to time, and in the ordinary course of business, the Company may be subject to certain claims, charges and litigation concerning matters arising in connection with the conduct of the Company's business activities. As of June 15, 2025, the Company did not have any material commitments, contingencies, or guarantees.

### **6. Segment Reporting**

The Company is engaged in a single line of business that engages principally in clearing transactions for customers. The Company has identified Nan Wang, Chief Executive Officer, as the chief operating decision making ("CODM") who uses net income to evaluate the results of the business, predominantly in the forecasting process, to manage the Company. Additionally, the CODM uses excess net capital (see Note 7), which is not a measure of profit and loss, to make operational decisions while maintaining capital adequacy. The Company's operations constitute a single operating segment and therefore, a single reportable segment, because the CODM manages the business activities using information of the Company as a whole. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant policies.

## **7. Net Capital Requirements**

The Company is subject to the minimum financial requirements of the Commodity Futures Trading Commission. Under these requirements the Company is required to maintain adjusted net capital at a minimum of \$1,000,000 or a percentage of the Company's customer and non-customer risk maintenance margin, as defined, whichever is greater. The Company currently holds no customer or non-customer risk and as such is subject to the minimum dollar amount requirement of \$1,000,000.

Adjusted net capital and risk maintenance margin requirements change from day to day. At June 15, 2025, the Company had adjusted net capital of \$2,490,575, which was \$1,490,575 in excess of the required minimum net capital.

The minimum requirements may effectively restrict the payment of advances and cash dividends.

## **8. Subsequent Events**

The Company has evaluated events subsequent to June 15, 2025, through the date which the financial statements were issued, and determined there are no material subsequent events requiring disclosure or adjustment to the financial statements.

**SLEEPER MARKETS LLC**  
**Schedule I - Reconciliation of the Net Capital**  
**as reported in the Company's 1-FR-FCM filing**  
**June 15, 2025**

Adjusted Net Capital as reported in Company's unaudited  
1-FR-FCM at June 15, 2025

<b>Adjusted net Capital per Audit</b>	<b>\$ 2,490,575</b>
	<b><u>\$ 2,490,575</u></b>

There are no material differences between the above computation and the Company's corresponding unaudited form 1-FR-FCM filing.

There are no material differences between the Company's audited and unaudited Statement of Financial Condition at June 15, 2025.

Sleeper Markets, LLC  
3960 Howard Hughes Parkway  
Suite 500  
Las Vegas, NV 89169

Subject: 2025 Registration Audit Report (period ending June 15, 2025)

Please find attached your copy of the 2025 Registration Audit Report (for the period ending June 15, 2025) of Sleeper Markets, LLC.

I, Tim Janke, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sleeper Markets, LLC, for the period ending June 15, 2025, are true and correct.

Sincerely,



Tim Janke  
VP of Finance  
Sleeper Markets, LLC

07/03/2025

*Date signed* \_\_\_\_\_