

Jefferies Group LLC
Form 10-Q
July 10, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-14947

JEFFERIES GROUP LLC
(Exact name of registrant as specified in its charter)

Delaware 95-4719745
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

520 Madison Avenue, New York, New York 10022
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (212) 284-2550

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The Registrant is a wholly-owned subsidiary of Leucadia National Corporation and meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and is therefore filing this Form 10-Q with a reduced disclosure

format as permitted by Instruction H(2).

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JEFFERIES GROUP LLC AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)
 (In thousands)

	May 31, 2015	November 30, 2014
ASSETS		
Cash and cash equivalents (\$192 and \$178 at May 31, 2015 and November 30, 2014, respectively, related to consolidated VIEs)	\$3,288,758	\$4,079,968
Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations	2,396,114	3,444,674
Financial instruments owned, at fair value, (including securities pledged of \$15,384,622 and \$14,794,488 at May 31, 2015 and November 30, 2014, respectively; and \$54,999 and \$62,990 at May 31, 2015 and November 30, 2014, respectively, related to consolidated VIEs)	18,843,199	18,636,612
Investments in managed funds	57,840	74,365
Loans to and investments in related parties	745,660	773,141
Securities borrowed	7,839,005	6,853,103
Securities purchased under agreements to resell	3,784,504	3,926,858
Securities received as collateral	9,623	5,418
Receivables:		
Brokers, dealers and clearing organizations	2,478,992	2,164,006
Customers	1,215,481	1,250,520
Fees, interest and other (\$333 and \$363 at May 31, 2015 and November 30, 2014, respectively, related to consolidated VIEs)	402,276	262,437
Premises and equipment	242,122	251,957
Goodwill	1,660,193	1,662,636
Other assets	1,178,068	1,131,953
Total assets	\$44,141,835	\$44,517,648
LIABILITIES AND EQUITY		
Short-term borrowings	\$362,000	\$12,000
Financial instruments sold, not yet purchased, at fair value	9,195,450	8,881,268
Collateralized financings:		
Securities loaned	3,694,620	2,598,487
Securities sold under agreements to repurchase	11,128,443	10,672,157
Other secured financings (\$705,653 and \$597,999 at May 31, 2015 and November 30, 2014, respectively, related to consolidated VIEs)	709,567	605,824
Obligation to return securities received as collateral	9,623	5,418
Payables:		
Brokers, dealers and clearing organizations	1,549,033	2,280,103
Customers	4,450,110	6,241,965
Accrued expenses and other liabilities (\$861 and \$589 at May 31, 2015 and November 30, 2014, respectively,	1,121,413	1,273,378

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related to consolidated VIEs)		
Long-term debt	6,401,934	6,483,617
Total liabilities	38,622,193	39,054,217
EQUITY		
Member's paid-in capital	5,505,304	5,439,256
Accumulated other comprehensive loss:		
Currency translation adjustments	(20,874) (9,654
Additional minimum pension liability	(4,856) (5,019
Total accumulated other comprehensive loss	(25,730) (14,673
Total member's equity	5,479,574	5,424,583
Noncontrolling interests	40,068	38,848
Total equity	5,519,642	5,463,431
Total liabilities and equity	\$44,141,835	\$44,517,648
See accompanying notes to consolidated financial statements.		

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CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(In thousands)

	Three Months Ended May		Six Months Ended May	
	31, 2015	2014	31, 2015	2014
Revenues:				
Commissions	\$ 173,508	\$ 167,378	\$ 340,430	\$ 329,441
Principal transactions	155,962	183,416	261,439	421,779
Investment banking	404,262	331,149	676,257	745,469
Asset management fees and investment income (loss) from managed funds	5,650	(3,101)	(4,187)	6,856
Interest	240,552	283,540	469,422	532,808
Other	28,576	8,404	48,481	31,473
Total revenues	1,008,510	970,786	1,791,842	2,067,826
Interest expense	216,956	247,794	408,616	445,806
Net revenues	791,554	722,992	1,383,226	1,622,020
Non-interest expenses:				
Compensation and benefits	480,770	404,876	845,985	912,775
Non-compensation expenses:				
Floor brokerage and clearing fees	58,713	54,020		