

IAM CAPITAL CORPORATION

ANNUAL REPORT

DECEMBER 31, 2020

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

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

OMB APPROVAL	
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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 01/01/2020 AND ENDING 12/31/2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: IAM Capital Corporation

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

276 Post Road West

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
Westport CT 06880  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Lane S. Bucklan 203-341-9053  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

PKF O'Connor Davies, LLP

(Name - if individual, state last, first, middle name)  
300 Tice Blvd. Woodcliff Lake NJ 07677  
(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)

## OATH OR AFFIRMATION

I, Lane S. Bucklan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IAM Capital Corporation, 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:

\_\_\_\_\_

\_\_\_\_\_

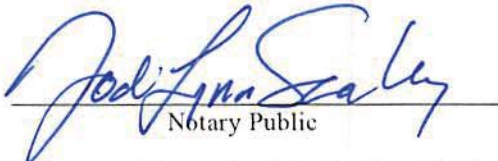
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Signature

Chief Compliance Officer

Title



Notary Public

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 (as defined in §210.1-02 of Regulation S-X).
- ☒ (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).*

Jodi Lynn Scally  
NOTARY PUBLIC  
State of Connecticut  
My Commission Expires September 30, 2022



IAM CAPITAL CORPORATION

ANNUAL REPORT

DECEMBER 31, 2020

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## IAM CAPITAL CORPORATION'S EXEMPTION REPORT

IAM Capital Corporation (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (SEC). This Exemption Report was prepared as required by SEC Rule 17a-5. To the best of its knowledge and belief, the Company states the following:

For the period January 1, 2020 through December 31, 2020 the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

Therefore, in reliance on footnote 74 to SEC Release 34-70073 and as discussed in Q&A 8 of the related FAQ issued by SEC staff, the firm does not claim an exemption from Rule 15c3-3.

To the best knowledge and belief of the Company, it has met the above conditions, throughout the year ended December 31, 2020 without exception.

IAM CAPITAL CORPORATION

I, Lane Bucklan, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By:  C3E44EB93DAB4F7...

Title: Chief Compliance Officer

Date: February 23, 2021



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Stockholder  
IAM Capital Corporation**

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

We have audited the accompanying statement of financial condition of IAM Capital Corporation (the "Company"), as of December 31, 2020, and the related statements of operations, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements (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 of America.

### ***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 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### ***Supporting Schedules***

The supporting schedules required by Rule 17a-5 under the Securities Exchange Act of 1934 ("SEA") have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supporting schedules are the responsibility of the Company's management. Our audit procedures included determining whether the information in the supporting schedules 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 supporting schedules. In forming our opinion on the supporting schedules, we evaluated whether the supporting schedules, including their form and content, are presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.



***Emphasis of a Matter***

As more fully described in Notes 1 and 5 to the financial statements, the Company is dependent on, and has material transactions with, a related party. Because of this relationship, it is possible that the terms of these transactions are not the same as those that would result from transactions between unrelated parties. Our opinion is not modified with respect to this matter.

We have served as the Company's auditor since 2012.

*PKF O'Connor Davies, LLP*

February 23, 2021

IAM CAPITAL CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2020

ASSETS

Cash	\$ 44,700
Prepaid expenses	2,685
Deferred tax assets	<u>1,000</u>
 TOTAL ASSETS	 <u><u>\$ 48,385</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES	
Accrued expenses and taxes payable	\$ 5,036
 STOCKHOLDER'S EQUITY	
Common stock, no par value, 100 shares authorized, issued and outstanding	100
Paid-in capital	44,900
Accumulated deficit	<u>(1,651)</u>
TOTAL STOCKHOLDER'S EQUITY	<u>43,349</u>
 TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	 <u><u>\$ 48,385</u></u>

See Notes To Financial Statements



IAM CAPITAL CORPORATION

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2020

REVENUES:	
Service fee income - related party	\$ 25,000
Interest income	144
TOTAL REVENUES	<u>25,144</u>
EXPENSES:	
Regulatory fees and expenses	5,511
General and administrative expenses	18,585
TOTAL EXPENSES	<u>24,096</u>
NET INCOME BEFORE INCOME TAXES	1,048
PROVISION FOR INCOME TAXES	<u>(9,410)</u>
NET LOSS	<u>\$ (8,362)</u>

See Notes To Financial Statements

IAM CAPITAL CORPORATION

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
For the Year Ended December 31, 2020

	Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Stockholder's Equity
Balance at January 1, 2020	\$ 100	\$ 259,900	\$ 6,711	\$ 266,711
Return of capital	-	(215,000)	-	(215,000)
Net Loss	-	-	(8,362)	(8,362)
Balance at December 31, 2020	<u>\$ 100</u>	<u>\$ 44,900</u>	<u>\$ (1,651)</u>	<u>\$ 43,349</u>

See Notes To Financial Statements

IAM CAPITAL CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (8,362)
Deferred income taxes	8,000
Adjustments to reconcile net loss to net cash from operating activities:	
Change in operating assets:	
Prepaid expenses	182
Change in operating liabilities:	
Accrued expenses and taxes payable	1,336
NET CASH FROM BY OPERATING ACTIVITIES	<u>1,156</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Return of capital	<u>(215,000)</u>
NET CHANGE IN CASH	(213,844)
CASH – beginning of year	<u>258,544</u>
CASH – end of year	<u><u>\$ 44,700</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for income taxes	\$ 826

See Notes To Financial Statements

## IAM CAPITAL CORPORATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### 1. ORGANIZATION AND NATURE OF BUSINESS

IAM Capital Corporation (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). The Company is a Connecticut Corporation that is a wholly owned subsidiary of Iridian Asset Management LLC (Parent).

The Company has historically funded operations through capital contributions and service fees from the Parent. Future operations are dependent on service fees from the Parent.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting 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 disclosures 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.

##### Revenue Recognition

The Company follows the U.S. GAAP guidance, Revenue from Contracts with Customers. To determine the amount and timing of revenue recognition, The Company must (1) identify the contract with the client, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation. The Company will recognize revenue on its contract services when the services are provided over the terms of the agreement.

##### Income Taxes

The Company accounts for income taxes in accordance with the “Liability Method,” pursuant to U.S. GAAP. Under this method, income taxes consist of taxes currently due plus those deferred due to temporary differences between the financial reporting basis and tax basis of the Company’s assets and liabilities measured by enacted tax rates for the years in which the taxes are expected to be paid or recovered. The Company recognizes the benefit from income tax positions taken in its income tax returns only when those positions are believed to be more likely than not to be sustained upon review by the tax authorities. Deferred tax assets are reduced by a valuation allowance when in the opinion of management; it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

IAM CAPITAL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management has determined that the Company had no uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to U.S. federal, state or local income tax examinations for periods prior to December 31, 2016.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, cash is defined as cash balances in operating bank accounts, interest-bearing deposits, and savings accounts. The Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

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. At December 31, 2020, the Company had net capital of \$39,664 which was \$34,664 in excess of its required net capital of \$5,000. The Company's ratio of net capital to aggregate indebtedness is 12.70%.

4. INCOME TAXES

The Company had no provision for Federal taxes and \$493 for State income taxes for the year ended December 31, 2020. At December 31, 2020 the Company has approximately \$2,000 of Federal and \$106,000 of State net operating losses.

At December 31, 2020, the Company's deferred tax assets totaled \$9,000 for net operating loss carryforwards. In assessing the realizability of the net operating loss carryforwards, management considered whether it is more likely than not that some portion or all of the deferred tax assets will be realized based on judgments as to the future realization of the deferred tax assets supported by demonstrated trends in the Company's operating results. At December 31, 2020, management, based on recent operating results and future expected taxable income, determined that it is more likely that the Company would not realize its state deferred tax assets in the near term and provided a 100% valuation allowance.

The components of the Company's deferred tax assets and valuation allowance consist of the following at December 31:

	<u>2020</u>
Deferred tax assets:	
Federal	\$ 1,000
State	<u>8,000</u>
	9,000
Valuation allowance	<u>(8,000)</u>
	<u>\$ 1,000</u>

IAM CAPITAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

5. RELATED PARTY TRANSACTIONS

The Company has entered into a service agreement with the Parent for the purpose of establishing services to be provided by the Company and fees to be charged. During 2020, management evaluated general market conditions and determined that charging a fee was appropriate for the services that the Company has been providing. For the year ended December 31, 2020, total service fee income charged by the Company was \$25,000.

Included in general and administrative expenses is \$2,340 of overhead reimbursement paid to the Parent for the year ended December 31, 2020.

Amounts due to Parent totaled \$1,043 at December 31, 2020 for insurance expense paid on the Company's behalf.

6. CONCENTRATION OF CREDIT RISK

The Company maintains cash balances in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation. At times, the Company's bank balances may exceed insurable limits. Financial instruments that potentially subject the Company to credit risk consist primarily of cash on deposit.

7. RISK AND UNCERTAINTY

The Company's operations have been affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitations on the conduct of business.

The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date of these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of the operations, financial position and cash flows in 2021 cannot be reasonably estimated at this time.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 23, 2021, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

## SUPPORTING SCHEDULES



IAM CAPITAL CORPORATION

SCHEDULE I  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2020

**Computation of Net Capital**

Total stockholder's equity	\$ 43,349
Deductions:	
Nonallowable assets:	
Prepaid expenses	2,685
Deferred tax assets	1,000
	<hr/>
Net Capital	<u>\$ 39,664</u>

**Aggregate Indebtedness**

Total aggregate indebtedness	<u>\$ 5,036</u>
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**Computation of Basic Net Capital Requirement**

a) Minimum net capital required (6-2/3% of total aggregate indebtedness)	<u>\$ 336</u>
b) Minimum dollar net capital requirement of reporting broker-dealer	<u>\$ 5,000</u>
Net capital requirement (greater of (a) or (b))	<u>\$ 5,000</u>
Excess net capital	<u>\$ 34,664</u>
Excess net capital at 1,000 percent (Net capital less 120% of (b) minimum net capital)	<u>\$ 33,664</u>
Ratio: Aggregate indebtedness to net capital	<u>12.70%</u>

There are no material differences between the above computation and the Company's corresponding unaudited part IIA of Form X-17A-5 as of December 31, 2020.

IAM CAPITAL CORPORATION

SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2020

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(i) under the Securities Exchange Act of 1934.

IAM CAPITAL CORPORATION

SCHEDULE III  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2020

The Company carries no customer accounts and does not handle or hold possession of securities, and therefore is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(i) under the Securities Exchange Act of 1934.

**Report of Independent Registered Public Accounting Firm on  
Review of the Exemption Report**

**To the Board of Directors and Stockholder  
IAM Capital Corporation**

We have reviewed management's statements, included in the accompanying SEA Rule 15c3-3 Exemption Report, in which IAM Capital Corporation (the "Company") stated that it does not claim an exemption from Rule 15c3-3 as the Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073. The Company has also stated they (1) do not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) do not carry accounts of or for customers; and (3) do not carry PAB accounts (as defined in SEA Rule 15c3-3). The Company has stated they have met these provisions throughout the year and therefore believes they have no possession or control obligations under SEA Rule 15c3-3(b) or reserve deposit obligations under SEA Rule 15c3-3(e). The Company'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 the Company's compliance with the exemption provision. 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 provision of SEC Rule 15c3-3 as contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments by 17 C.F.R § 240.17a-5 for the year ended December 31, 2020.

*PKF O'Connor Davies, LLP*

February 23, 2021

## IAM CAPITAL CORPORATION'S EXEMPTION REPORT

IAM Capital Corporation (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (SEC). This Exemption Report was prepared as required by SEC Rule 17a-5. To the best of its knowledge and belief, the Company states the following:

For the period January 1, 2020 through December 31, 2020 the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

Therefore, in reliance on footnote 74 to SEC Release 34-70073 and as discussed in Q&A 8 of the related FAQ issued by SEC staff, the firm does not claim an exemption from Rule 15c3-3.

To the best knowledge and belief of the Company, it has met the above conditions, throughout the year ended December 31, 2020 without exception.

IAM CAPITAL CORPORATION

I, Lane Bucklan, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By:  C3E44EB93DAB4F7...

Title: Chief Compliance Officer

Date: February 23, 2021