

**SILVER LEAF PARTNERS, LLC**  
**Statement of Financial Condition**  
**December 31, 2018**  
**With Report of Independent Registered Public**  
**Accounting Firm**

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

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

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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 01/01/2018 AND ENDING 12/31/2018  
MM/DD/YYYY MM/DD/YYYY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

SILVER LEAF PARTNERS, LLC

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

15 West 38 Street, Floor 12  
(No. and Street)

NEW YORK

(City)

NY

(State)

10018

(Zip Code)

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

JANICE PARISE

(212) 751-4422

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Alvarez & Associates, Inc.

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

9221 Corbin Ave., Suite 165

(Address)

Northridge

(City)

CA

(State)

91324

(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 (06-02)

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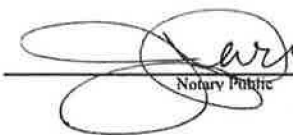
### OATH OR AFFIRMATION

I, FYZUL KHAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SILVER LEAF PARTNERS, LLC, as of December 31, 2018, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

Chief Executive Officer  
Title

  
Notary Public  
JANICE PARISE  
Notary Public, State of New York  
No. 41-4868956  
Qualified in Queens County  
Commission Expires July 9, 2020

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

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (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.
- ☐ (o) Exemption report

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

**SILVER LEAF PARTNERS, LLC**  
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**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Directors and Equity Owner of Silver Leaf Partners, LLC:

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Silver Leaf Partners, LLC (the "Company") as of December 31, 2018, 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, 2018 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.

*Alvarez & Associates, Inc.*

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2018.  
Northridge, California  
February 18, 2019



**Silver Leaf Partners, LLC**  
**Statement of Financial Condition**  
**As of December 31, 2018**

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ASSETS

Cash	\$	253,748
Receivable from clearing organizations		9,196
Accounts receivable		198,171
Property and equipment, net		4,143
Prepaid and other assets		<u>58,980</u>
 TOTAL ASSETS	 \$	 <u>524,238</u>

LIABILITIES & MEMBER'S EQUITY

Liabilities:

Accounts payable and other liabilities	\$	<u>61,397</u>
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TOTAL LIABILITIES		<u>61,397</u>
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MEMBER'S EQUITY		<u>462,841</u>
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TOTAL LIABILITIES AND MEMBER'S EQUITY	\$	<u>524,238</u>
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The accompanying notes are an integral part of this statement of financial condition.

# **Silver Leaf Partners, LLC**

## **Notes to the Statement of Financial Condition**

### **As of December 31, 2018**

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#### **1. Organization**

Silver Leaf Partners, LLC (the "Company"), a New York Limited Liability Company, is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA). The Company clears its securities transactions on a fully disclosed basis with a clearing broker. The Company's effective date of organization was January 15, 2003. The effective date of the Company's registration as a broker-dealer was September 23, 2003. The Company has no liabilities subordinated to claims of creditors during the year ended December 31, 2018.

#### **2. Summary of Significant Accounting Policies**

##### **Accounting Estimates**

The preparation 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.

##### **Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company places its cash with high credit quality financial institutions. At times, such amounts may exceed federally insured limits. Account monitoring procedures are utilized to minimize the risk of loss from accounts receivable. The Company generally does not require collateral or other security from its customers.

##### **Accounts Receivable**

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical losses, current economic conditions, and the financial stability of its customers. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The Company generally does not charge interest. As of December 31, 2018 the Company has not established an allowance for doubtful accounts as they believe all receivables are collectable for the period.

##### **Revenue Recognition**

Commission revenue and commission expense are recorded on a trade date basis as securities transactions occur. The Company receives third party marketing revenue primarily from raising capital on behalf of hedge funds, private equity, and other alternative funds. The Company records third party marketing revenue when earned and reasonably estimable, net of the amount owed to the third party marketer.

##### **Guaranteed Payments to Member**

Guaranteed payments to the member that are intended as compensation for services rendered are accounted for as company expenses rather than as allocations of membership net income. Guaranteed payments that are intended as payments of interest on capital accounts are not accounted for as expenses of the company, but rather, as part of the allocation of net income.

**Silver Leaf Partners, LLC**  
**Notes to the Statement of Financial Condition**  
**As of December 31, 2018**

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**2. Summary of Significant Accounting Policies (continued)**

**Income Taxes**

The Company is organized as a limited liability company and is a disregarded entity for income tax purposes. No provision has been made for federal and state income taxes since these taxes are the personal responsibility of the owner. However, New York City imposes an unincorporated business tax ("UBT") on unincorporated businesses operating in New York City.

**3. Accounts Receivable**

The details of Third party marketing accounts receivable is as follows:

**Accounts Receivable**

Accounts receivable	\$ 1,064,869
Commission payable	(918,797)
	<u>\$ 146,072</u>

**4. Property and Equipment**

Property and equipment consist of the following at December 31, 2018:

Computer equipment	\$ 19,613
Furniture	23,696
	<u>43,309</u>
Less accumulated depreciation	39,166
	<u>\$ 4,143</u>

**5. Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Leases, which replaces the existing guidance in ASC 840, Leases. The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income. The guidance will be effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company is currently evaluating the impact of ASU 2016-02 will have on its financial statements and related disclosures.

**6. Commitments and Contingencies**

The Company has a clearing agreement with its clearing broker, Interactive Brokers, LLC (the "Clearing Broker"). The agreement provides that certain minimum capital balances must be maintained while the Company's customer accounts are being introduced to and cleared by the Clearing Broker on a fully disclosed basis. In connection with this agreement, the Company is contingently liable to the Clearing Broker in the event of nonperformance by its introduced customers. It is the Company's policy to continuously monitor its exposure to these risks.

The Company is subject to dispute actions from time to time in the ordinary course of business, including FINRA proceeding regarding supervisory actions. Although the amount of any liability



**Silver Leaf Partners, LLC**  
**Notes to the Statement of Financial Condition**  
**December 31, 2018**

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with respect to such actions cannot be determined, in the opinion of management, such liabilities will not have a material adverse effect on the Company's financial condition or results of operations.

The Company leases office space in New York under a two year lease agreement which expires June 2020. The lease requires the Company to pay their proportionate share of utilities, real estate taxes, and other common area maintenance charges. Future minimum rental payments under this lease agreement are \$105,600 in 2019.

The minimum annual rents are subject to escalation based on increases in real estate tax and certain operating costs incurred by the lessor. The Company also has a security deposit of \$17,600 relating to the lease.

The firm had operating leases for two copy machines. Both leases terminated in September 2018.

**7. Regulatory Requirements**

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 (reserve requirements for brokers and dealers) in that the Company does not hold funds or securities for customers. All customer transactions are cleared through another broker-dealer on a fully-disclosed basis.

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined, equal to the greater of \$5,000 or 6-2/3% of aggregate indebtedness. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2018, the Company had net capital of \$201,519 and net capital requirements of \$65,346 resulting in excess net capital of \$136,173.

Pursuant to the net capital provisions of Rule 1.17 of the National Futures Association (NFA), the Company is required to maintain a minimum net capital, as defined, equal to the greater of \$45,000 or 6-2/3% of aggregate indebtedness. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2018, the Company had net capital of \$201,519 and net capital requirements of \$65,346 resulting in excess net capital of \$136,173.

**8. Subsequent Events**

The Company has performed an evaluation of events that have occurred subsequent to December 31, 2018, and through February 28, 2019, the date of the filing of this report. There have been no material subsequent events that occurred during such period that would require disclosure in this report or would be required to be recognized in the financial statements as of December 31, 2018.