Note 1 – Nature of Operations and Going Concern

LCG Capital Advisors, LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a Florida limited liability company, formed on July 3, 2003 and is a wholly-owned subsidiary of LCG Capital Holdings, LLC ("LCG"). The Company's business primarily consists of assisting entities in obtaining financing and in merger and acquisition transactions.

The financial statements have been prepared on a going concern basis which assumes the Company will be able to meet all obligations. During 2015, the Company experienced a net loss and recorded no revenues. Additionally, the Company did not meet the minimum net capital requirement as per the SEC Uniform Net Capital Rule (Rule 15c3-1), (see Note 4). Given all obligations are due to entities under common control and that subsequent to year end the Company received a capital infusion of $50,000, management is confident that the Company is able to continue to meet its obligations.

Note 2 – Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies are as follows:

Use of Estimates -The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial condition. Actual amounts could differ from those estimates.

Goodwill - Goodwill is tested for impairment on an annual basis.

Accounting Standards Update 2011-08 ("ASU 2011-08") allows the Company the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test for goodwill impairment. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required.

As of December 31, 2015, based on management's assessment of the qualitative factors it was determined that the fair value of the Company's lone reporting unit more-likely-than-not exceeds its carrying amount. As such, management determined that there was no impairment of goodwill.

Revenue Recognition - The Company recognizes revenue from financing and merger and acquisition transactions in the form of engagement fees and success fees. Engagement fees are recognized as the related services are performed. Success fees are earned and recognized at the time a transaction is closed.

The Company also recognizes revenue from hourly consulting fees. Fees are collected in the form of monthly retainers and revenue is recognized as time is incurred on each engagement.

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes - The Company is treated as a disregarded entity for income tax purposes. Accordingly, no income taxes or tax benefits are recorded by the Company since such taxes or tax benefits associated with the Company's operations are reported in the tax return of its parent company, LCG.

Management has evaluated the effect of the guidance provided by generally accepted accounting principles on accounting for uncertainty in income taxes and determined that the Company had no uncertain tax positions that could have a significant effect on the financial statements at December 31, 2015. LCG's federal income tax returns for its 2012 and subsequent tax years are subject to examination by the internal revenue service for three years from their date of filing.

Note 3 – Related Party Transactions

The Company owes $52,731 as of December 31, 2015 to two entities, both related through common control. This amount is a result of employee payroll and benefits expenses paid by these entities on behalf of the Company. These payroll costs for the Company's single employee, which amounted to $45,415 for the year ending December 31, 2015, are allocated to the Company based on the percentage of time spent by the employee on the Company's activities. This payable is due on demand and is non-interest bearing.

The above transactions and amounts are not necessarily indicative of the amounts that would have been incurred if similar transactions been had been incurred with independent parties. These related party payables are due on demand and non-interest bearing.

Note 4 – Net Capital Requirement and Subsequent Event

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum regulatory net capital and a specified ratio of aggregate indebtedness to regulatory net capital. As of December 31, 2015, the Company had net capital below the minimum amount required by $35,632. As of December 31, 2015 the Company's regulatory net capital requirement was $5,000. A $50,000 permanent infusion of capital on January 27, 2016 from the firm's Parent Company, LCG Financial Services, LLC, brought the firm back into net capital compliance.

Note 5 – Exemption from Rule 15c3-3

The Company is exempt from Rule 15c3-3 pursuant to subparagraph k(2)(i) of the Rule.

Note 6 – Subsequent Events

The Company has evaluated subsequent events and transactions through February 16, 2016, the date which the financial statements were available to be issued. No events other than previously disclosed have occurred subsequent to December 31, 2015 through February 16, 2016 which would require adjustment to, or disclosure in the financial statements, other than previously disclosed.