

TRANSPACIFIC GROUP LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2017

**TRANSPACIFIC GROUP LLC  
FINANCIAL STATEMENT  
DECEMBER 31, 2017**

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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 01/01/2017 AND ENDING 12/31/2017  
MM/DD/YYYY MM/DD/YYYY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Transpacific Group LLC**

OFFICIAL USE ONLY
FIRM ID. NO.

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

**485 Madison Avenue Suite 1500**

(No. and Street)

**New York**

**NY**

**10022**

(City)

(State)

(Zip Code)

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

**Mark E. Mason**

**212-987-3000**

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

**Raphael Goldberg Nikpour Cohen & Sullivan CPA PLLC**

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

**97 Froehlich Farm Blvd**

**Woodbury**

**NY**

**11797**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

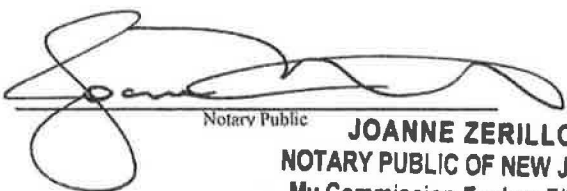
- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions

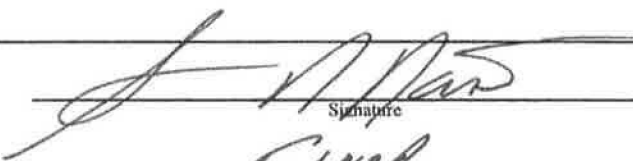
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Scott D Daniels, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Transpacific Group LLC, as of December 31, 2017, 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:

  
Notary Public  
**JOANNE ZERILLO**  
**NOTARY PUBLIC OF NEW JERSEY**  
**My Commission Expires 7/2/2022**

  
Signature  
FINOP  
Title

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).**



Mark C. Goldberg, CPA  
Mark Raphael, CPA  
Floria Samii-Nikpour, CPA  
Allan B. Cohen, CPA  
Michael R. Sullivan, CPA

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Anita C. Jacobsen, CPA

Founding Partner:  
Melvin Goldberg, CPA

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
of TransPacific Group, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of TransPacific Group, LLC (the "Company") (a limited liability company), as of December 31, 2017, and the related notes to the financial statements. In our opinion, the financial statements present fairly, in all material respects, the financial position of TransPacific Group, LLC as of December 31, 2017, 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 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

*Raphael Goldberg Nikpour Cohen & Sullivan CPA's PLLC*

Raphael Goldberg Nikpour Cohen & Sullivan  
Certified Public Accountants PLLC

We have served as the Company's auditors since 2016.

Woodbury, New York  
February 16, 2018

TRANSPACIFIC GROUP LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2017

<u>ASSETS</u>	
Cash	\$ 720,032
Accounts receivable	7,448,750
Prepaid expenses	31,662
Fixed assets (Net of Accumulated Depreciation of \$41,251)	3,161
Other assets	<u>38,393</u>
 TOTAL ASSETS	 <u>\$ 8,241,998</u>
 <u>LIABILITIES AND MEMBER'S CAPITAL</u>	
Liabilities:	
Warrant reserve	\$ 10,000
Accrued expenses and other liabilities	<u>1,170,810</u>
 TOTAL LIABILITIES	 <u>1,180,810</u>
 Member's capital	 <u>7,061,188</u>
 TOTAL LIABILITIES AND MEMBER'S CAPITAL	 <u>\$ 8,241,998</u>

The accompanying notes are an integral part of this financial statement.

TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

NOTE 1. ORGANIZATION, OPERATIONS, AND SIGNIFICANT ACCOUNTING POLICIES

Transpacific Group LLC (F/K/A Transpacific Securities LLC) (the "Company"), a Delaware limited liability company, was formed on January 29, 2007. The Company changed its name from Transpacific Securities LLC to Transpacific Group LLC in January 2010. The Company, a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), acts as a third-party selling agent for private collective investment vehicles. The Company will continue indefinitely, unless terminated sooner by Management.

The Company maintains its books and records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Significant Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, 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.

Revenue Recognition

In 2017, the Financial Accounting Standards Board has adopted ASC 606, Revenue from Contracts with Customers, which will supersede nearly all existing revenue recognition guidance under accounting principles generally accepted in the United States. The core principle of this standard is that revenue should be recognized for the amount of consideration expected to be received for promised goods or services transferred to customers. This standard will be effective for the Company for the annual reporting period beginning January 1, 2018.

The accompanying notes are an integral part of this financial statement.

TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

**Revenue Recognition (Continued)**

The Company has evaluated the new guidance and the adoption is not expected to have a significant impact on the Company's financial statements and a cumulative effect adjustment under the modified retrospective method of adoption will not be necessary.

During 2017 a customer of the Company was acquired. The new management challenged the liability to the Company for past services. Therefore the Company elected to remove the receivable in question and record revenues as received from this customer in the future.

NOTE 2. NET CAPITAL REQUIREMENT

The Company is subject to SEC Uniform Net Capital 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, 2017, the Company had net capital of \$338,088 which was \$286,412 in excess of its required net capital of \$51,676. The Company's net capital ratio was 2.21 to 1.

NOTE 3. FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is based on the straight line method over the estimated useful lives of the assets.

Fixed assets at December 31, 2017 consisted of the following:

Computer equipment	\$ 36,593
Furniture	<u>7,819</u>
	44,412
Less: accumulated depreciation	<u>(41,251)</u>
Fixed assets, net	<u>\$ 3,161</u>

The accompanying notes are an integral part of this financial statement.



TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

NOTE 4. INCOME TAXES

The Company is not subject to federal or state income taxes. The member reports his distributive share of realized income or loss on his own tax return. However, the Company does file tax returns in which it recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. The Company is subject to New York City unincorporated business tax, for which a provision is included in the Statement of Operations. The Company is no longer subject to federal, state, or local tax examinations by authorities for years before 2013.

NOTE 5. WARRANT RESERVE

The Company has received a deposit of \$10,000 from an entity which has the right to convert this deposit into member's capital at a future date based on terms disclosed in its warrant agreement.

NOTE 6. SIGNIFICANT GROUP CONCENTRATION OF RISK

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker-dealer, clearing organization, customer and/or other counterparty with which it conducts business.

As of December 31, 2017, there were no customer accounts having debit balances which presented any risks, nor was there any exposure with any other transaction conducted with any other broker.

The accompanying notes are an integral part of this financial statement.

TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

NOTE 7. COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no lease or equipment rental commitments, no underwriting commitments, no contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2017 or during the year then ended.

NOTE 8. RETIREMENT PLANS

The Company maintains a profit sharing plan covering eligible employees. Employees are vested at 20% per year after 2 years of service. Annual contributions to the plan are at the discretion of the Managing Member and are limited to the percentage of eligible employee compensation under relevant Internal Revenue Code sections. For the year ended December 31, 2017, the Company contributed \$47,451 to the plan.

The Company sponsors a 401(k) for eligible employees providing pre-tax salary deferrals. For the year ended December 31, 2017, the Company contributed \$50,182 to the plan.

The Company participates in a noncontributory defined benefit pension plan which covers substantially all of its employees, and is funded through a trust established under the plan.

The benefits are based on years of service, and the employee's compensation during the five consecutive years in which their average compensation was highest. Funding of retirement costs for the plan complies with the funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and other federal legislation.

The plan's funded status is as follows:

**Change in benefit obligation:**

Benefit obligation at December 31, 2016	\$ 2,000,046
Service cost	303,326
Interest cost	72,002
Actuarial (gain)/loss	51,236
Disbursements paid	-
Benefit obligation at December 31, 2017	<u>\$ 2,426,610</u>

The accompanying notes are an integral part of this financial statement.

TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

NOTE 8. RETIREMENT PLANS (continued)

**Change in plan assets:**

Fair value of plan assets at December 31, 2016	\$ 1,704,242
Actual return on plan assets	170,501
Employer contribution	-
Paid to participants	-

Fair value of plan assets at December 31, 2017	<u>\$ 1,874,743</u>
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Shortfall at end of year	<u>\$ (551,867)</u>
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**Amounts recognized in the Statement of Financial Condition consist of:**

Pension payable	<u>\$ 200,000</u>
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**Amounts recognized in accumulated other comprehensive income consist of:**

Net actuarial gain (loss)	<u>\$ (263,933)</u>
Accumulated other comprehensive income	<u>\$ (263,933)</u>

**Information for plans with an accumulated benefit obligation in excess of plan assets:**

Projected benefit obligation	<u>\$ 2,426,610</u>
Accumulated benefit obligation	<u>\$ 2,318,760</u>
Fair value of plan assets	<u>\$ 1,874,743</u>

**Components of net periodic cost and other amounts recognized in other comprehensive income:**

Service cost	\$ 303,326
Interest cost	72,002
Expected (return) on plan assets	(127,818)
Amortization of net (gain)/loss	27,687
Net periodic cost	<u>\$ 275,197</u>

The accompanying notes are an integral part of this financial statement.

TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

NOTE 8. RETIREMENT PLANS (continued)

**Other changes in plan assets and benefit obligations  
recognized in other comprehensive income:**

Net gain/(loss)	\$ (263,933)
Total recognized in other comprehensive income	<u>\$ (263,933)</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ (263,933)</u>

The estimated transition obligation, net loss and prior service cost for the defined benefit pension plan that will be amortized from other comprehensive income into net periodic benefit cost over the next fiscal year are \$27,687 and \$303,326 respectively.

**Weighted average assumptions used to determine  
benefit obligation at December 31, 2017:**

Discount rate	3.60%
Rate of compensation increase	5.00%

**Weighted average assumptions used to determine net  
periodic benefit cost for year ended December 31, 2017:**

Discount rate	3.60%
Expected long-term return on plan assets	7.50%
Rate of compensation increase	5.00%

Contributions expected to be made during the year ending December 31, 2017 are expected to approximate \$200,000.

The following benefit payments that reflect expected future service, as appropriate, are expected to be paid as follows:

<u>Year ending December 31,</u>	<u>Pension Benefits</u>
2018	-
2019	2,799,806.00
2020-2028	<u>-</u>
Total	<u>\$ 2,799,806.00</u>

The accompanying notes are an integral part of this financial statement.

TRANSPACIFIC GROUP LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017  
(continued)

NOTE 9.      GUARANTEES

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying value (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The Company has issued no guarantees at December 31, 2017 or during the year then ended.

NOTE 10.     SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were available to be issued, and no events have been identified which require disclosure.

The accompanying notes are an integral part of this financial statement.