

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

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

OMB APPROVAL
OMB Number: 3235-0123
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8- 69922

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: Polaris Private Placements, LLC

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

735 Johnnie Dodds Blvd, Ste 105

(No. and Street)

Mt. Pleasant

SC

29464

(City)

(State)

(Zip Code)

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

Anthony Diamos

(404) 536-6984

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Rubio CPA, PC

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

2727 Paces Ferry Rd, Bldg 2, Ste 1680 Atlanta

Georgia

30339

(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, John Pernell, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Polaris Private Placements, LLC, 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:

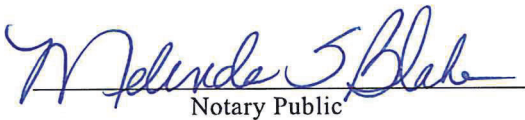
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Signature

Chief Executive 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).**

# **POLARIS PRIVATE PLACEMENTS, LLC**

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

WITH REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

# **POLARIS PRIVATE PLACEMENTS, LLC**

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Schedule III: Information Relating to the Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission as of December 31, 2020

Report of Independent Registered Public Accounting Firm on the Company's Exemption Report

Polaris Private Placements, LLC Exemption Report



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Polaris Private Placements, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Polaris Private Placements, LLC (the "Company") as of December 31, 2020, the related statements of operations, changes in member's equity, and cash flows for the year then ended and the related notes (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 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 to 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.

### Supplemental Information

The information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the information in Schedules I, II and III 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 accompanying schedules. In forming our opinion on the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is presented

in conformity with 17 C.F.R. §240.17a-5. In our opinion, the aforementioned supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2019.

February 26, 2021  
Atlanta, Georgia

A handwritten signature in black ink that reads "Rubio CPA, PC". The signature is written in a cursive, flowing style.

Rubio CPA, PC

**POLARIS PRIVATE PLACEMENTS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2020**

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**ASSETS**

Cash	\$ 8,777
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<i>Total Assets</i>	<u><u>\$ 8,777</u></u>
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**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES**

Due to related party	\$ 456
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<i>Total Liabilities</i>	<u>456</u>
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**MEMBER'S EQUITY**

	<u>8,321</u>
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<i>Total liabilities and member's equity</i>	<u><u>\$ 8,777</u></u>
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*The accompanying notes are an integral part of this statement.*

**POLARIS PRIVATE PLACEMENTS, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**REVENUE**

Forgiveness of indebtedness - Related party	\$ 3,493
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Total revenue	<u>\$ 3,493</u>
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**EXPENSES**

Professional fees	17,650
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Other	1,888
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Occupancy	1,200
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Technology and communications	<u>623</u>
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Total expenses	<u>\$ 21,361</u>
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<b>NET LOSS</b>	<b><u><u>\$ (17,868)</u></u></b>
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*The accompanying notes are an integral part of this statement.*



**POLARIS PRIVATE PLACEMENTS, LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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<b>BALANCE</b> , December 31, 2019, as previously reported	\$ 8,978
Adjustment to reflect expense in prior year	<u>(1,289)</u>
<b>BALANCE</b> , December 31, 2019, as previously reported	7,689
Contributions	18,500
Net Loss	<u>(17,868)</u>
 <b>BALANCE</b> , December 31, 2020	 <b><u>\$ 8,321</u></b>

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

**POLARIS PRIVATE PLACEMENTS, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net Loss	\$ (17,868)
Items which do not impact cash:	
Adjustment to reflect expense in prior year	(1,289)
Adjustments to reconcile net loss to net cash used by operating activities:	
Decrease in due to related party	<u>(1,670)</u>

<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b><u>\$ (20,827)</u></b>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Contributions	<u>18,500</u>
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<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b><u>\$ 18,500</u></b>
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<b>NET DECREASE IN CASH</b>	<b>(2,327)</b>
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<b>CASH, at beginning of year</b>	<b><u>\$ 11,104</u></b>
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<b>CASH, at end of year</b>	<b><u><u>\$ 8,777</u></u></b>
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*The accompanying notes are an integral part of this statement.*

**POLARIS PRIVATE PLACEMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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***NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES***

**Organization and business**

Polaris Private Placements, LLC (the “Company”) is a securities broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA). The Company is a South Carolina limited liability company organized in September 2016 and became a broker-dealer in July 2018. As a limited liability company, the member’s liability is limited to its investment.

**Accounting Policies**

The Company follows Generally Accepted Accounting Principles (GAAP), as established by the Financial Accounting Standards Board (the FASB), to ensure consistent reporting of financial condition, results of operations, and cash flows.

**Cash**

The Company maintains its bank accounts at a high credit quality financial institution. Balances at times may exceed federally insured limits.

**Revenue Recognition**

The Company has yet to generate any revenue from customers. The Company’s revenue will primarily be commissions and fees generated from private placements and sale of limited partnerships in primary distributions.

The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on appropriate measure of the Company’s progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration should be applied due to uncertain future events.

**POLARIS PRIVATE PLACEMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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***NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES***  
***(CONTINUED)***

**Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Income Taxes**

The Company is a single-member limited liability company and is considered a disregarded entity for federal income tax reporting purposes. Accordingly, the Company does not file a separate income tax return. The income or losses of the Company flow through to and are taxable to the Member. Therefore, no income taxes are reflected in the accompanying financial statements.

The Company has adopted the provisions of FASB Accounting Standards Codification 740-10, Accounting for Uncertainty in Income Taxes. Under FASB ASC 740-10, the Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status, including its status as a pass-through entity, and the decision not to file a return.

The Company has evaluated each of its tax positions and has determined that it has no uncertain tax positions for which a provision or liability for income taxes is necessary.

***NOTE 2 - NET CAPITAL REQUIREMENTS***

The Company is subject to SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of a minimum net capital, as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness as well as a ratio of aggregate indebtedness to net capital that shall not exceed 15 to 1. At December 31, 2020, the Company had net capital of \$8,321, which was \$3,321 in excess of its required minimum net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.05 to 1.

**POLARIS PRIVATE PLACEMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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***NOTE 3 - SUBSEQUENT EVENTS***

The Company has performed an evaluation of subsequent events through the date the financial statements were issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

***NOTE 4 - CONTINGENCIES***

The Company is subject to litigation in the normal course of business. The Company has no litigation in progress at December 31, 2020.

As a registered broker-dealer, the Company is required to maintain a fidelity bond policy with minimum coverage amounts. Fidelity bond coverage had lapsed on December 31, 2020, but was reinstated effective February 8, 2021. The Company believes that there was no activity during the period without coverage that would cause a loss to the Company.

***NOTE 5 - RELATED PARTY TRANSACTIONS***

The Company leases office space under a month-to-month agreement from a sister company. Rent expense pursuant to the lease was \$1,200.

Separately, under an informal arrangement, the sister company provides technology and communication services to the Company based upon estimated usage by the Company. The amount expensed by the Company during 2020 pursuant to this arrangement was approximately \$623.

In July and September 2020, the sister company forgave amounts owed to it from current and prior years under both the lease agreement and the informal arrangement in the amount of approximately \$3,493. This amount has been included in forgiveness of indebtedness revenue on the accompanying statement of operations.

The amount due to related party on the accompanying statement of financial condition arises from both the lease agreement and the informal arrangement.

Financial position and results of operations would differ from the amounts in the accompanying financial statements if these related party transactions did not exist.

**POLARIS PRIVATE PLACEMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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***NOTE 6 - NET LOSS***

The Company incurred a loss for 2020 and was dependent on its Member for capital contributions for working capital and net capital. The Company's Member has represented that it has the means and intention to provide capital contributions as needed to ensure the Company's survival through at least one year subsequent to the date of the report of the independent registered public accounting firm.

Management expects the Company to continue as a going concern and the accompanying financial statements have been prepared on a going-concern basis without adjustments for realization in the event that the Company ceases to continue as a going concern.

***NOTE 7 - ECONOMIC RISKS***

In March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. This pandemic event has resulted in significant business disruption and uncertainty in both global and U.S. markets. While the Company believes that it is in an appropriate position to sustain the potential short-term effects of these world-wide events, the direct and long-term impact to the Company and its financial statements is undetermined at this time.



## **SUPPLEMENTARY INFORMATION**

**POLARIS PRIVATE PLACEMENTS, LLC**

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**Schedule I**  
**Computation of Net Capital**  
**Pursuant to Rule 15c3-1 of the Securities and Exchange Commission**  
**As of December 31, 2020**

<b>NET CAPITAL</b>	
Member's equity	\$ 8,321
<i>Total non-allowable assets</i>	<u>\$ -</u>
<b>NET CAPITAL</b>	<u>\$ 8,321</u>
Minimum net capital required (greater of 6-2/3 % of aggregate indebtedness or \$5,000)	\$ 5,000
<i>Excess net capital</i>	<u><u>\$ 3,321</u></u>
<b>AGGREGATE INDEBTEDNESS:</b>	<u><u>\$ 456</u></u>
<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL:</b>	<u><u>.05 to 1</u></u>

Reconciliation with the Company's computation of net capital included in Part IIA of Form X-17A-5 as of December 31, 2020 and net capital as computed above.

There are no material differences between the above computation of net capital and the corresponding computation reported in Form X-17A-5 Part IIA.

## **POLARIS PRIVATE PLACEMENTS, LLC**

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### **SCHEDULE II**

#### **COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION AS OF DECEMBER 31, 2020**

The Company does not claim exemption from SEA Rule 15c3-3, in reliance on Footnote 74 of the 2013 Release. The Company does not hold customer funds or securities.

### **SCHEDULE III**

#### **INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION AS OF DECEMBER 31, 2020**

The Company does not claim exemption from SEA Rule 15c3-3, in reliance on Footnote 74 of the 2013 Release. The Company does not hold customer funds or securities.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Polaris Private Placements, LLC

We have reviewed management's statements included in the accompanying Broker Dealers Annual Exemption Report in which (1) Polaris Private Placements, LLC did not claim an exemption from Rule 15c3-3 in reliance upon Footnote 74 of the 2013 Release, and (2) Polaris Private Placements, LLC stated that Polaris Private Placements, LLC met the identified conditions for such reliance throughout the most recent fiscal year without exception. Polaris Private Placements, LLC'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 Polaris Private Placements, LLC's compliance with the exemption provisions. 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 provisions set forth in Footnote 74 of the 2013 Release.

February 26, 2021  
Atlanta, GA



Rubio CPA, PC

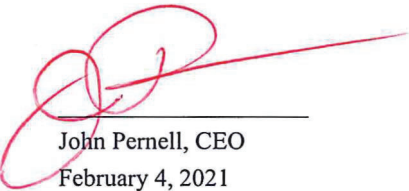
## POLARIS PRIVATE PLACEMENTS, LLC'S EXEMPTION REPORT

I, as member of management of Polaris Private Placements, LLC (the "Company") am responsible for complying with Rule 17a-5, "Reports to be made by certain brokers and dealers." I have performed an evaluation of the Company's compliance with the requirements of Rule 17a-5 and the exemption provisions in Rule 15c3-3(k) (the "exemption provisions") and of the 2013 Release adopting amendments to Rule 17a-5, including Footnote 74 of the 2013 Release.

I have determined that the Company does not meet any of the exemption conditions of paragraph (k) of Rule 15c3-3 (i.e., paragraph (k)(1), (k)(2)(i) or (k)(2)(ii) but also (1) does not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Exchange Act Rule 15c2-4 ("Rule 15c2-4"); (2) does not carry accounts of or for customers; and (3) does not carry PAB accounts (as defined in Rule 15c3-3) and therefore is covered by Footnote 74 of the 2013 Release.

Accordingly, based on my evaluation I make the following statements to the best knowledge and belief of the Company:

1. I reviewed the provisions of Rule § 15c3-3 and related guidance stated in the SEC Staff's FAQ and confirmed that the Company relied on Footnote 74 of the 2013 Release.
2. The Company conducted business activities involving placement and advisory services to customers consisting of capital raising activity throughout the year ended October 31, 2020 without exception.
3. The Company met the identified conditions for such reliance throughout the period January 1 to December 31, 2020 without exception.



John Pernell, CEO  
February 4, 2021