

ABG SUNDAL COLLIER

Statement of Financial Condition

December 31, 2016

ABG Sundal Collier, Inc.



ABG Sundal Collier, Inc.

850 Third Avenue, Suite 9-C

New York, NY 10022

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

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

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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 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ABG Sundal Collier, Inc.

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

850 Third Avenue, Suite 9-C

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

New York

NY

10022

(City)

(State)

(Zip Code)

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

Douglas Miller

(212) 605 3800

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Weiser Mazars LLP

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

135 West 50th Street

New York

NY

10020

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



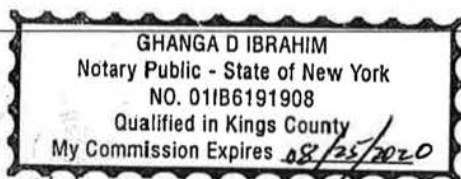
Accountant not resident in United States or any of its possessions.

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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, Douglas Miller, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ABG Sundal Collier, Inc., as of December 31, 2016, 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:



D Miller

Signature

Chief Financial Officer

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.

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

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
ABG Sundal Collier, Inc.

We have audited the accompanying statement of financial condition of ABG Sundal Collier, Inc., (the "Company"), as of December 31, 2016. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing 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.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of ABG Sundal Collier, Inc., as of December 31, 2016, in conformity with accounting principles generally accepted in the United States.

WeiserMazars LLP

February 23, 2017

STATEMENT OF FINANCIAL CONDITION

ASSETS	December 31, 2016
Cash	\$ 6,761,772
Receivable from and deposit with clearing broker	201,394
Receivable from affiliates	9,633,042
Furniture, equipment and leasehold improvements (Net of accumulated depreciation and amortization of \$231,589)	314,401
Prepaid income taxes	15,467
Other assets	110,399
TOTAL ASSETS	\$ 17,036,475
LIABILITIES AND STOCKHOLDER'S EQUITY	
Liabilities	
Payable to affiliate	\$ 81,666
Accrued expenses and other liabilities	372,469
Accrued discretionary bonuses	662,228
Total liabilities	1,116,363
Stockholder's equity	
Common stock \$0.01 par value: 1,000 shares authorized, 500 shares issued and outstanding	5
Additional paid-in-capital	2,951,463
Retained earnings	12,968,644
Total stockholder's equity	15,920,112
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 17,036,475

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

NOTES TO FINANCIAL STATEMENT**December 31, 2016****Note 1 – General**

ABG Sundal Collier, Inc. (the “Company”) is a wholly-owned subsidiary of ABG Sundal Collier Holdings, Inc. (“Holdings”). Holdings is wholly-owned by ABG Sundal Collier ASA (“ASA”), a Norwegian broker-dealer of securities. The Company is a registered general securities broker-dealer and is subject to regulation by the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”).

The Company generates commissions by introducing institutional customer commission business to a clearing broker-dealer on a fully-disclosed basis. Accordingly, the Company does not carry customer accounts and does not receive, deliver, or hold cash or securities in connection with such transactions. The Company has executed a Proprietary Accounts of Introducing Brokers (“PAIB”) Agreement with its clearing broker, who takes custody of the funds or securities of the Company’s customers. In the event that customers of the Company fail to perform on their obligations, such obligations are the responsibility of the Company.

Note 2 – Summary of Significant Accounting Policies***Revenue Recognition***

Commissions earned on securities transactions and related expenses are recorded on a trade date basis.

Receivables From and Deposit with Clearing Broker

The resulting net receivable from trade date transactions not settled as of December 31, 2016, and a deposit of \$201,394 at the clearing broker are reflected as receivable from and deposit with clearing broker in the statement of financial condition.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment, and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three years for computer and telecommunication equipment and five years for furniture and fixtures. Leasehold improvements are amortized over the shorter of the lease terms or their useful lives.

Income Taxes

The Company is a member of an affiliated group of which the Company and Holdings have elected to join in the filing of the group’s consolidated Federal, state and local income tax returns. For financial reporting purposes, the Company’s income taxes are reported on a separate company basis.

The Company utilizes the asset and liability method to calculate deferred tax assets and liabilities. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing tax laws and rates expected to be in effect at the time of reversal. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax assets or liabilities between years. Valuation allowances are recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company has adopted the authoritative guidance under ASC No. 740 "Income Taxes" relating to accounting for uncertainty in income taxes. This standard prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken by the Company. As of December 31, 2016, the Company determined that it had no uncertain tax positions which affected its financial position and its results of operations or its cash flows, and will continue to evaluate for uncertain tax positions in the future.

The Company is no longer subject to U.S. Federal, state and local, or non-U.S. income tax examinations by tax authorities for years ended before 2013.

Use of 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 revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Note 3 – Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2016, are as follows:

Furniture	\$	97,260
Computer and telephone equipment		273,119
Leasehold Improvements		175,611
Total cost		545,990
Accumulated depreciation and amortization		(231,589)
	\$	314,401

Note 4 – Income taxes

The major sources of temporary differences and their deferred income tax effects as of December 31, 2016, are as follows:

Deferred tax assets:		
Depreciation adjustment	\$	(2,396)
Net operating loss carry-forward		1,636,593
Valuation allowance		(1,634,197)
Net deferred tax asset	\$	-

The Company has Federal income tax net operating loss carryforwards of \$2,371,918 as of December 31, 2016, expiring from 2030 to 2035. The state and local income tax net operating loss carryforwards are \$5,760,761 and \$5,528,959, respectively, as of December 31, 2016, also expiring from 2030 to 2035. The valuation allowance decreased from \$1,977,038 to \$1,634,197 at December 31, 2016.

Note 5 – Retirement plan

The Company has a 401(k) profit sharing plan that covers all full-time employees who have attained the age of twenty-one and who have completed six months of service, as defined in the plan. Discretionary contributions to the plan are determined annually by the Board of Directors. Eligible employees are immediately vested.

Note 6 – Commitments and Contingencies

The Company signed a lease effective November 30, 2015, which expires on May 29, 2026, for new office space. The lease has provisions for future rent increases and rent free periods. The total amount of rental payments due over the lease term is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to Deferred rent payable which is included in accrued expenses and other liabilities on the statement of financial condition. In connection with the lease agreement, the Company is required to maintain a \$219,350 letter of credit in the event of default which expires on July 31, 2026. There are no amounts outstanding under the letter of credit.

Future minimum annual lease payments under the non-cancellable lease are as follows:

Year ending December 31,	Minimum rent
2017	\$ 362,115
2018	362,115
2019	362,115
2020	366,758
2021	389,970
Thereafter	1,722,368
Total minimum rent	\$ 3,565,441

Note 7 – Concentration of Credit Risk

The Company, as an introducing broker, introduces all institutional customer transactions with and for customers on a fully-disclosed basis with the clearing broker, who carries all of the accounts of such customers. These activities may expose the Company to credit risk in the event the customer and/or clearing broker is unable to fulfill its obligations.

At December 31, 2016, the Company maintains cash balances with a financial institution in the amount of \$6,763,045, which are not FDIC insured. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Note 8 - Related Party Transactions

The Company, as an introducing broker, has an agreement with ASA whereby ASA provides the Company with execution, clearance, and other brokerage related services on behalf of the Company's customers.

The Company receives an allocation from ASA consisting of introducing fees, interest income, and other income and certain common expenses for research, execution and management, which are paid by certain of the Company's international affiliates. As of December 31, 2016, \$9,104,989 is due from ASA and is included in receivable from affiliates.

The receivable from Holdings is a result of the tax benefit received from the filing of a consolidated federal tax return.

The other receivables and payables are a result of cost sharing between the companies.

The table below summarizes the related party transactions:

Company	Liabilities	Receivables
ABG Sundal Collier Norge ASA	\$	\$ 9,104,989
ABG Sundal Collier AB		269,953
ABG Sundal Collier LLP	81,666	
ABG Sundal Collier Holdings Inc		179,153
ABG Sundal Collier Norge, Frankfurt Branch		131
ABG Sundal Collier Norge, Copenhagen Branch		78,816
Total intercompany balance transactions	\$ 81,666	\$ 9,633,042

Note 9 – Net Capital Requirements

The Company is subject to the net capital requirements of Rule 15c3-1 of the SEC, as amended, which requires a broker-dealer to have, at all times, sufficient liquid assets to cover current indebtedness. In accordance with the rule, the broker-dealer is required to maintain defined minimum net capital of the greater of either \$250,000 or 1/15 of aggregate indebtedness.

At December 31, 2016, the Company had net capital, as defined, of \$6,211,028 which was \$5,961,028 in excess of its required net capital of \$250,000. At December 31, 2016, the Company had aggregate indebtedness of \$752,138. The ratio of aggregate indebtedness to net capital was 0.121 to 1.