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

A

SEC FILE NUMBER
8-53194

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 01/01/04 AND ENDING 12/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Atlantic American Capital Advisors, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

101 E. Kennedy Blvd., Suite 3300

(No. and Street)

Tampa
(City)

FL
(State)

33602
(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kirkland, Russ, Murphy & Tapp

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

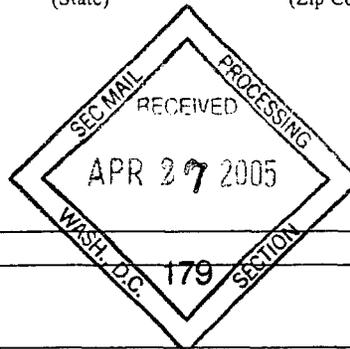
13577 Feather Sound Dr, Suite 400 Clearwater, FL 33762-5539
(Address) (City) (State) (Zip Code)

PROCESSED

CHECK ONE:

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

MAY 06 2005
THOMSON FINANCIAL



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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)

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OATH OR AFFIRMATION

I, Brad A. Gordon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Atlantic American Capital Advisors, LLC, as of December 31, 2004, 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]
Signature
Chief Financial Officer
Title

[Signature]
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of ~~Income (Loss)~~. Operations
- (d) Statement of ~~Changes in Financial Condition~~. Cash Flow
- (e) Statement of ~~Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital~~. Member's Equity
- (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 15c3-3 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).



**KIRKLAND, RUSS,
MURPHY & TAPP**
CERTIFIED PUBLIC ACCOUNTANTS

13577 Feather Sound Drive, Suite 400
Clearwater, Florida 33762-5539
(727) 572-1400 Fax (727) 571-1933
internet: www.KRMTCPA.com

Report of Independent Certified Public Accountants

To the Member of
Atlantic American Capital Advisors, LLC:

We have audited the accompanying statement of financial condition of Atlantic American Capital Advisors, LLC (the Company) as of December 31, 2004, and the related statements of operations, member's equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Atlantic American Capital Advisors, LLC at December 31, 2004, and the results of its' operations, changes in member's equity and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kirkland, Russ, Murphy & Tapp P.A.

Clearwater, Florida
January 21, 2005

Atlantic American Capital Advisors, LLC

Statement of Financial Condition

December 31, 2004

Assets

Cash and cash equivalents	\$	200,173
Accounts receivable, net of allowance for doubtful accounts of \$74,873		91,415
Property and equipment, net		689
Other assets		<u>183</u>
Total assets	\$	<u>292,460</u>

Liabilities

Accounts payable and accrued expenses	\$	<u>30,100</u>
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Commitments and contingencies

Member's Equity

Member's capital, a membership unit issued & outstanding		567,452
Accumulated member's deficit		<u>(305,092)</u>
Total member's equity		<u>262,360</u>
Total liabilities and member's equity	\$	<u>292,460</u>

The accompanying notes are an integral part of these financial statements.

Atlantic American Capital Advisors, LLC

Notes to Financial Statements

1. Nature of Business:

Atlantic American Capital Advisors, LLC (the "Company") is a limited liability company organized on January 25, 2001 pursuant to the Delaware Limited Liability Company Law, whose sole member is Atlantic American Capital Group, LLC ("AACG"). The Company is ultimately owned and controlled by the J. Patrick Michaels, Jr. Family Trust (the "Trust") of which J. Patrick Michaels, Jr. is the sole trustee and has beneficial ownership interest. The Company provides investment banking and consulting services.

During October 2001, the Company became a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc. ("NASD").

2. Summary of Significant Accounting Policies:

Management Estimates and Assumptions

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 amount 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 from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Company maintains cash balances in insured financial institutions. From time to time balances may exceed amounts insured by the Federal Deposit Insurance Corporation.

Atlantic American Capital Advisors, LLC

Notes to Financial Statements

Revenue Recognition

Investment banking revenues are recognized at the time the related transactions are completed. Any warrants received in connection with investment banking transactions are recorded at estimated fair value. Consulting revenues are recognized as the services are provided.

The warrants owned as of December 31, 2004 are determined to have no value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are comprised primarily of amounts due from consulting and investment banking customers that operate in the United States of America. Credit is extended based on an evaluation of the customer's financial condition. Additions to the allowance for doubtful accounts are made by means of the provision for bad debts. Accounts receivable are written off after collection efforts have been followed in accordance with the Company's policies. Accounts written off as uncollectible are deducted from the allowance, and subsequent recoveries are added.

The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions within the markets in which the Company operates, and other collection indicators. The primary tool used in management's assessment is an annual, detailed review of historical collections and write-offs that represent a majority of the Company's revenue and accounts receivable. The results of the detailed review of historical collections and write-offs experience, adjusted for changes in trends and conditions, are used to evaluate the allowance amount for the current period. Credit losses are provided for in the financial statements and have been within management's expectations.

Other Assets

Other assets consist of prepaid amounts to the NASD.

Income Taxes

The Company is a single member limited liability corporation. Accordingly, the accompanying financial statements include no provision for income tax as the Company's income is reported for tax purposes by its sole member.

Atlantic American Capital Advisors, LLC

Notes to Financial Statements

Fair Value of Financial Instruments

The financial instruments of the Company are reported in the accompanying statement of financial condition at their carrying value, which approximate their fair values.

3. Regulatory Requirements:

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. Net capital and the related ratio of aggregate indebtedness to net capital, as defined, may fluctuate on a daily basis. At December 31, 2004, the Company had net capital, as defined, of \$170,073, which was \$165,073 in excess of its required net capital of \$5,000. At December 31, 2004, the Company's ratio of aggregate indebtedness to net capital, as defined, was .18 to 1. The Company claims exemption from SEC Rule 15c3-3 under Paragraph (k)(2)(i) of the Rule.

4. Related Party Transactions:

The Company paid \$4,000 per month to an affiliate entity under common ownership for administrative services, which is reflected as rent, office and occupancy in the accompanying statement of operations. This amount was reevaluated for reasonableness and increased to \$7,500 effective July 1, 2004. For the year ended December 31, 2004, \$69,000 was paid to this affiliate.

Included in accounts payable and accrued expenses at December 31, 2004 is approximately \$16,000 due to an affiliate under common control and employees of the Company related to reimbursement for various operating expenses.

5. Concentration of Customers:

The three largest customers for the year ended December 31, 2004, contributed approximately 75%, 9% and 6% of total revenues, respectively.