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

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

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 January 1, 2011 AND ENDING December 31, 2011  
Date Date

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Larkspur Capital Corporation

OFFICIAL USE ONLY

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

FIRM I.D. NO.

445 Park Avenue

(No. and Street)

New York  
(City)

NY  
(State)

10022  
(Zip Code)

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

Robert C. Mayer Jr.

212-376-5790

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

FRIEDMAN LLP

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

406 Lippincott Drive Suite J  
(Address)

Marlton  
(City)

NJ  
(State)

08053  
(Zip Code)

CHECK ONE

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

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
FEB 29 2012  
REGISTRATIONS BRANCH

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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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Robert C. Mayer Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Larkspur Capital Corporation as of December 31, 2011, 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:

Three horizontal lines for listing exceptions.

Signature of Robert C. Mayer Jr.
Managing Director
Title

Signature of Kenneth A. Hicks
Notary Public

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

KENNETH A. HICKS
Notary Public, State of New York
No. 31-4861911
Qualified in New York County
Commission Expires 12/19/2014

- (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) Independent Auditors' Report on Internal Accounting Control.

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

# LARKSPUR CAPITAL CORPORATION

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# FRIEDMAN LLP

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Stockholders  
Larkspur Capital Corporation

We have audited the accompanying statement of financial condition of Larkspur Capital Corporation as of December 31, 2011, and the related statements of income, changes in stockholders' 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 in accordance with auditing standards generally accepted in the United States of America. Those standards 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 statements referred to above present fairly, in all material respects, the financial position of Larkspur Capital Corporation as of December 31, 2011 and the results of its operations 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 financial statements as a whole. The supplementary information contained in Schedules I and II required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Friedman LLP*

February 27, 2012

**LARKSPUR CAPITAL CORPORATION**  
**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2011**

**ASSETS**

Cash	\$ 136,167
Prepaid expenses	6,871
Office equipment - at cost, less accumulated amortization	17,188
	<hr/> \$ 160,226

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities**

Accrued expenses	\$ 18,929
Capital lease obligation	14,496
	<hr/> 33,425

Commitments

**Stockholders' equity**

Common stock, no par value, authorized 200 shares, 100 shares issued and outstanding	10,000
Additional paid-in capital	1,221,092
Accumulated deficit	(1,104,291)
	<hr/> 126,801
	<hr/> \$ 160,226

See notes to financial statements.

LARKSPUR CAPITAL CORPORATION

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2011

**Revenues**

Investment banking fees	\$ 964,998
Other	46
	<hr/>
	965,044

**Expenses**

Employee compensation	499,718
Occupancy	134,332
General and administrative	30,677
Professional fees	27,500
Office	27,518
Travel and entertainment	32,457
Consulting fees	41,210
Regulatory fees	2,312
Interest expense	3,184
	<hr/>
	798,908
<b>Net income</b>	<hr/>
	\$ 166,136

See notes to financial statements.

**LARKSPUR CAPITAL CORPORATION**

**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

**YEAR ENDED DECEMBER 31, 2011**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, January 1, 2011	100	\$ 10,000	\$ 1,130,556	\$ (1,104,291)	\$ 36,265
Capital contributions	-	-	189,400	-	189,400
Net income	-	-	-	166,136	166,136
Distributions	-	-	(98,864)	(166,136)	(265,000)
<b>Balance, December 31, 2011</b>	<b>100</b>	<b>\$ 10,000</b>	<b>\$ 1,221,092</b>	<b>\$ (1,104,291)</b>	<b>\$ 126,801</b>

See notes to financial statements.

**LARKSPUR CAPITAL CORPORATION**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2011**

<b>Cash flows from operating activities</b>	
Net income	\$ 166,136
Adjustments to reconcile net income to net cash provided by operating activities	
Amortization	4,687
Changes in assets and liabilities	
Prepaid expenses	(71)
Accrued expenses	7,386
<u>Net cash provided by operating activities</u>	<u>178,138</u>
<b>Cash flows from financing activities</b>	
Repayment of capital lease obligation	(6,896)
Capital contribution	189,400
Distributions	(265,000)
<u>Net cash used in financing activities</u>	<u>(82,496)</u>
<b>Net increase in cash</b>	<b>95,642</b>
<b>Cash, beginning of year</b>	<b>40,525</b>
<u><b>Cash, end of year</b></u>	<u><b>\$ 136,167</b></u>
<b>Supplemental cash flow disclosures</b>	
Interest paid	\$ 3,184

See notes to financial statements.

## LARKSPUR CAPITAL CORPORATION

### NOTES TO FINANCIAL STATEMENTS

#### 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Description of Business**

Larkspur Capital Corporation (the "Company") is a Delaware corporation. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of Financial Industry Regulatory Authority, Inc. ("FINRA") operating as a placement agent, specializing in private placements of securities and financial advisory services.

##### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

##### **Concentration of Credit Risk for Cash**

The Company maintains its cash balances at one financial institution. These balances are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

##### **Amortization**

Amortization of leased assets is computed on the straight-line basis over the estimated useful lives of the respective assets of five years.

##### **Revenue Recognition**

Investment banking fees are recorded on an accrual basis. Fees received in advance of services rendered are deferred until earned.

##### **Income Taxes**

The Company has elected S Corporation status for Federal and New York State income tax purposes. Under these elections, the Company's taxable income or loss is includable by the stockholders on their individual income tax returns. The Company makes no provision for Federal income tax and New York State income taxes. New York City does not recognize S corporation status, and therefore provisions are made for New York City general corporation tax, as applicable.

Federal and state income tax returns for years prior to 2008 are no longer subject to examination by tax authorities.

**LARKSPUR CAPITAL CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Subsequent Events**

These financial statements were approved by management and available for issuance on February 27, 2012. Management has evaluated subsequent events through this date.

**2 - OFFICE EQUIPMENT**

Office equipment consists of computer equipment leased under a capital lease of \$23,438 less accumulated amortization of \$6,250 as of December 31, 2011.

**3 - CAPITAL LEASE OBLIGATION**

Payments required under a capital lease, as of December 31, 2011, are as follows:

Finance company, payable in monthly installments of \$840 through August 2013, including interest at 17.4%, collateralized by computer equipment.	\$ 16,800
Less - Amount representing interest	2,304
<u>Present value of minimum lease payments</u>	<u>\$ 14,496</u>

Annual payments required under capital leases are as follows:

Year Ending December 31,	
2012	10,080
2013	6,720
	<u>\$ 16,800</u>

## LARKSPUR CAPITAL CORPORATION

### NOTES TO FINANCIAL STATEMENTS

#### 4 - COMMITMENTS

The Company leases office space in New York City through June 30, 2013 at an annual rental of \$131,208, exclusive of required payments for increases in electricity and operating expenses over base period amounts.

Rent expense, including electricity and operating expenses, was \$134,332 for the year ended December 31, 2011.

#### 5 - MAJOR CUSTOMER

Investment banking fees from one customer were 85% of total fees for the year ended December 31, 2011.

#### 6 - RETIREMENT PLAN

The Company has a defined contribution Simplified Employee Pension Plan ("Plan") covering substantially all of its employees. Contributions to the Plan are at the discretion of the Company. There were no contributions made by the Company for the year ended December 31, 2011.

#### 7 - REGULATORY REQUIREMENTS

As a registered broker-dealer, the Company is subject to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, which requires that the Company's aggregate indebtedness shall not exceed fifteen times net capital, as defined, under such provision. As of December 31, 2011, the Company had net capital of \$102,742 which exceeded requirements by \$97,742. The ratio of aggregate indebtedness to net capital was 0.25 to 1 at December 31, 2011.

In January and February 2011, the Company had net capital deficiencies and on February 24, 2011 notified FINRA and the Securities and Exchange Commission ("SEC") as required by Rule 17a-11. On January 31, 2011 and February 24, 2011, the members made capital contributions sufficient to meet net capital requirements.

**SUPPLEMENTARY INFORMATION**

**Pursuant to Rule 17a-5 of the Securities Exchange Act of 1934**

**As of December 31, 2011**

**LARKSPUR CAPITAL CORPORATION**

**SCHEDULE I**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF  
THE SECURITIES AND EXCHANGE COMMISSION**

**AS OF DECEMBER 31, 2011**

<b>Computation of net capital</b>	
Stockholders' equity	\$ 126,801
Deductions and/or charges	
Non-allowable assets	(24,059)
<b>Net capital</b>	<b>\$ 102,742</b>
<b>Capital lease obligation</b>	
Accrued expenses and 50% of capital lease obligation includable in aggregate indebtedness	\$ 26,177
<b>Aggregate indebtedness</b>	<b>\$ 26,177</b>
<b>Computation of basic net capital requirement</b>	
Minimum net capital required (6 2/3% of aggregate indebtedness)	\$ 1,745
Minimum dollar requirement	5,000
<b>Net capital requirement (greater of minimum net capital or dollar requirement)</b>	<b>\$ 5,000</b>
<b>Excess net capital</b>	<b>\$ 97,742</b>
<b>Excess net capital at 1000 percent</b>	<b>\$ 100,124</b>
<b>Ratio - Aggregate indebtedness to net capital</b>	<b>0.25 to 1</b>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2011)	
Net capital, as reported in Company's Part II (unaudited) Focus Report	\$ 106,331
Decrease resulting from December 31, 2011 audit adjustments, net	(3,589)
<b>Net capital, as included in this report</b>	<b>\$ 102,742</b>

**LARKSPUR CAPITAL CORPORATION**  
**SCHEDULE II**  
**STATEMENT REGARDING SEC RULE 15c3-3**  
**DECEMBER 31, 2011**

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(i) of that Rule.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION**

To the Stockholders  
Larkspur Capital Corporation

In planning and performing our audit of the financial statements of Larkspur Capital Corporation (the "Company"), as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the

preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, Inc. and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Friedman LLP*

Certified Public Accountants

Marlton, New Jersey  
February 27, 2012

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**LARKSPUR CAPITAL CORPORATION**

**SECURITIES INVESTOR PROTECTION  
CORPORATION FORM SIPC-7**

**SEC FILE NO. 8-48055**

**YEAR ENDED DECEMBER 31, 2011**



**FRIEDMAN LLP**

ACCOUNTANTS AND ADVISORS

**LARKSPUR CAPITAL CORPORATION  
SECURITIES INVESTOR PROTECTION  
CORPORATION FORM SIPC-7**

**SEC FILE NO. 8-48055**

**YEAR ENDED DECEMBER 31, 2011**



# FRIEDMAN LLP

ACCOUNTANTS AND ADVISORS

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

Mr. Robert C. Mayer Jr.  
Larkspur Capital Corporation

In accordance with Rule 17a-5(e)(4) under the Securities and Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2011, which were agreed to by Larkspur Capital Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Larkspur Capital Corporation's compliance with the applicable instructions of the General Assessment Reconciliation ("Form SIPC-7"). Larkspur Capital Corporation's management is responsible for Larkspur Capital Corporation's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Friedman LLP*

February 27, 2012

**LARKSPUR CAPITAL CORPORATION**  
**SCHEDULE OF ASSESSMENT AND PAYMENTS TO THE**  
**SECURITIES INVESTOR PROTECTION CORPORATION**

**YEAR ENDED DECEMBER 31, 2011**

	Date Paid	Amount
General assessment reconciliation for the year ended December 31, 2011		\$ 2,412
<u>Payment schedule:</u>		
SIPC - 6	8/5/11	100
SIPC - 7	2/4/12	2,312
Balance due		\$ -

See independent accountants' report on applying agreed-upon procedures.