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

**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**

OMB APPROVAL

OMB Number: 3235-0123
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SEC FILE NUMBER

8-67314

REPORT FOR THE PERIOD BEGINNING January 1, 2012 AND ENDING December 31, 2012
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Partnership Capital Growth, LLC

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

One Embarcadero Center, Suite 3810

San Francisco (No. and Street) **CA** **94111**
(City) (State) (Zip Code)

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

Brent R. Knudsen **(415) 705-8001**

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this report*

EisnerAmper LLP

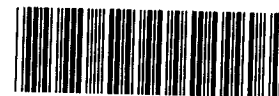
(Name - if individual, state, last, first, middle name)

One Market, Landmark, Suite 620 **San Francisco** **CA** **94105**

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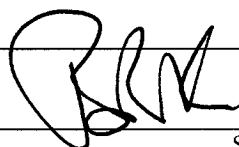
* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless this form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, **Brent R. Knudsen**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of **Partnership Capital Growth, LLC**, as of **December 31, 2012**, 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:



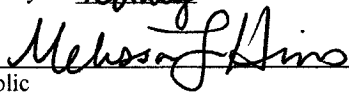
Signature

President

Title

State of California
County of San Francisco

Subscribed and sworn to before me
this 22 day of February 2013



Notary Public



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

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Operations.
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' Equity or Members' Equity or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital for Broker and Dealers pursuant to Rule 15c3-1.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements for Brokers and Dealers 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 Securities Investor Protection Corporation 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 auditor's report on internal control
- ☐ (p) Schedule of Segregation Requirements and Funds in Segregation- Customer Regulated Commodity Futures account pursuant to Rule 171-5.

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

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PARTNERSHIP CAPITAL GROWTH, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

INDEPENDENT AUDITORS' REPORT

To the Managing Member of
Partnership Capital Growth, LLC

Report on the Financial Statements

We have audited the accompanying statement of financial condition of Partnership Capital Growth, LLC as of December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Partnership Capital Growth, LLC as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

San Francisco, CA
February 21, 2013

PARTNERSHIP CAPITAL GROWTH, LLC
Statement of Financial Condition
December 31, 2012

Assets

Cash	\$ 2,266,258
Receivable from customer	21,638
Due from Affiliate	404,239
Prepaid expenses	38,482
Restricted cash	105,790
Furniture, equipment and leasehold improvements, net	<u>205,213</u>

<i>Total assets</i>	<u><u>\$ 3,041,620</u></u>
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Liabilities and Members' Equity

Liabilities

Accounts payable and accrued expenses	\$ 56,924
Distributions payable	300,100
Deferred revenue	<u>65,000</u>

<i>Total liabilities</i>	<u>422,024</u>
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Members' equity	<u>2,619,596</u>
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<i>Total liabilities and members' equity</i>	<u><u>\$ 3,041,620</u></u>
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See Accompanying Notes to Statement of Financial Condition

PARTNERSHIP CAPITAL GROWTH, LLC
Notes to Statement of Financial Condition
December 31, 2012

1. Business and Summary of Significant Accounting Policies

Business

Partnership Capital Growth, LLC (the "Company") is a Delaware limited liability company formed on February 24, 2006. The Company is registered with the Securities and Exchange Commission as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. The Company primarily engages in consulting services and private placement transactions executed in the healthy and active living marketplace.

The Company is controlled by and managed by its managing member. Effective January 1, 2012 the Company has elected to be taxed as a partnership for income tax purposes. The Company has three members (excluding the managing member). Non-Managing members have no right to vote on or consent to matters arising in relation to the Company.

As a limited liability company, the members' liability is limited to amounts reflected in the members' capital account.

Cash

The Company maintains its cash in bank deposit accounts which at times may exceed federally-insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements are recorded at cost, net of accumulated depreciation of \$208,602. Depreciation is computed under the straight-line method using estimated useful lives of three to seven years.

Revenue Recognition

Transaction fees and related expenses are recorded upon completion of the transactions as per the term of the agreements. Consulting fees are recorded as services are provided per the terms of the consulting agreements. If consulting fees are received in advance, they are recorded as deferred revenue until they are earned.

PARTNERSHIP CAPITAL GROWTH, LLC
Notes to Statement of Financial Condition
December 31, 2012

1. Business and Summary of Significant Accounting Policies (continued)

Income Taxes

The Company elects to be treated as a pass-through entity for all relevant jurisdictions and therefore files informational income tax returns which attribute taxable income and taxes paid, if any, to the members. Management has concluded that the Company is not subject to income taxes in any jurisdiction and that there are no uncertain tax positions that would require recognition in the financial statement. Accordingly, no provision for income taxes is reflected in the financial statement. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. With few exceptions, the Company is no longer subject to examination by tax authorities for years before 2008.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets and liabilities. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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, 2012, the Company had net capital of \$1,844,234 which was \$1,816,099 in excess of its required net capital of \$28,135. The Company's aggregate indebtedness to net capital ratio was 0.2288 to 1.

PARTNERSHIP CAPITAL GROWTH, LLC
Notes to Statement of Financial Condition
December 31, 2012

3. Lease Obligation

The Company operates from a leased office space in San Francisco under the terms of an expense-sharing agreement with Partnership Capital Growth Advisors, LLC (the "Affiliate"). The lease agreement expires on August 31, 2013 with an option for the Affiliate to extend the lease for an additional five years, with monthly rent determined based on the fair value of the rental at that date. On October 1, 2010, the Affiliate acquired additional office space resulting in an increase in annual rent expense allocable to the Company.

Under the terms of the expense-sharing agreement, the Affiliate allocated to the Company 90% of the total monthly rent paid by the Affiliate during 2012.

The future minimum lease payments allocable to the Company are as follows:

Year Ending <u>December 31</u>	
2013	\$ 365,439
2014	<u>370,591</u>
Total	<u>\$ 736,030</u>

4. Related Party Transactions

The Company is a party to an expense-sharing agreement under which the Company reimburses the Affiliate 90% of shared expenses, including all payroll and benefits and other shared overhead expenses.

During 2012, the Company purchased furniture and equipment and incurred leasehold improvement costs. These costs were allocated between the Company and the Affiliate based on the terms of the expense-sharing agreement. The total cost of purchases and leasehold improvements allocated to the Company was \$24,851 for the year ended December 31, 2012.

At December 31, 2012, the amount due from the Affiliate was \$404,239, representing amounts advanced to the Affiliate by the Company net of expenses that the Affiliate incurred on behalf of the Company and shared expenses allocated per the terms of the expense-sharing agreement.

PARTNERSHIP CAPITAL GROWTH, LLC
Notes to Statement of Financial Condition
December 31, 2012

4. Related Party Transaction (continued)

During 2012, the Company distributed \$124,441 in non-marketable securities to its managing member.

5. Letter of Credit

The Company had a \$105,790 Standby Letter of Credit with Wells Fargo Bank that expired on April 21, 2012 and was extended and subsequently closed on August 2, 2012. There were no borrowings on the letter of credit during 2012.

The Company opened a Standby Letter of Credit with First Republic Bank in the amount of \$105,790 on July 16, 2012. Interest is charged at a rate of 0.03%. There were no borrowings on the letter of credit during 2012. This letter of credit is secured by a \$105,790 deposit with the bank which is reported as restricted cash in the accompanying statement of financial condition.

6. Indemnification

The Company enters into contracts that contain a variety of indemnifications for which the maximum exposure is unknown but for which management expects the risk of loss, if any, to be remote. The Company has no current claims or losses pursuant such contracts.

7. Subsequent Events

Management evaluated subsequent events through February 21, 2013, the date these financial statements were available to be issued. With the exception of the matter described below, there were no material subsequent events that required disclosure in these financial statements.

During the period January 1, 2013 to February 21, 2013, the Company distributed \$32,500 to the members.

EisnerAmper LLP
Accountants & Advisors

www.eisneramper.com