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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

SEC  
Mail Processing  
Section

MAR 07 2013

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8-68762

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17(d) of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

Washington, DC  
400

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Houlihan Capital, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

500 West Madison Street, Suite 2600

(No. and Street)

Chicago

IL

60661

(City)

(State)

(Zip Code)

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

Jules Pomerantz

(312) 450-8607

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Spicer Jeffries LLP

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

5251 S. Quebec Street, Suite 200

Greenwood Village

CO

80111

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

\*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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AB  
3/27

OATH OR AFFIRMATION

I, Jules Pomerantz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Houlihan Capital, LLC 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  
\_\_\_\_\_  
Chief Financial Officer  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Notary Public

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 of Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital (including reconciliation of X-17A-5 Part II filing with this Rule 17a-5(d) report, if applicable).
- (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.
- (o) Independant Auditors' Report on Internal Accounting Control.

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

**SEC  
Mail Processing  
Section**

**MAR 07 2013  
Washington DC  
400**

**HOULIHAN CAPITAL, LLC**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2012**

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**SPICER JEFFRIES LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**SEC  
Mail Processing  
Section**

**MAR 07 2013  
Washington DC  
400**

**HOULIHAN CAPITAL, LLC**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2012**

The report is filed in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934 as a **PUBLIC DOCUMENT**.

HOULIHAN CAPITAL, LLC

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## INDEPENDENT AUDITORS' REPORT

To the Member of  
Houlihan Capital, LLC

### *Report on the Financial Statements*

We have audited the accompanying statement of financial condition of Houlihan Capital, LLC (the "Company") as of December 31, 2012 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and the related notes to the financial statements.

### *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 is free from material misstatement, whether due to fraud or error.

### *Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company'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 presents fairly, in all material respects, the financial position of Houlihan Capital, LLC as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

*Spicer Jeffries LLP*

Greenwood Village, Colorado  
February 17, 2013



HOULIHAN CAPITAL, LLC

STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

ASSETS

Cash and cash equivalents	\$	672,168
Receivables from customers		15,443
Other assets		<u>5,238</u>
	\$	<u>692,849</u>

LIABILITIES AND MEMBER'S EQUITY

**LIABILITIES:**

Accounts payable	\$	364,684
Accrued compensation payable		<u>17,500</u>

*Total liabilities* 382,184

COMMITMENTS AND CONTINGENCIES (Notes 3 and 4)

MEMBER'S EQUITY (Note 2)		<u>310,665</u>
	\$	<u>692,849</u>

The accompanying notes are an integral part of this statement.

## HOULIHAN CAPITAL, LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

#### ***NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

##### **The Company**

Houlihan Capital, LLC (the “Company” or “HCAP”), formed as a Nevada limited liability company on August 6, 2010, is a specialized investment banking firm that provides merger and acquisition advisory services, private placement and capital raises, liquidity solutions, transactional advisory, secondary market advisory and trading services. The Company is a wholly-owned subsidiary of Houlihan Capital Holdings, Inc. (“HCH”), a Nevada corporation. The Company became licensed as a broker-dealer with the Securities and Exchange Commission (“SEC”) on July 6, 2011 and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

##### **15c3-3 Exemption**

The Company, under Rule 15c3-3(k)(2)(i) is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts.

##### **Cash and Cash Equivalents**

The Company considers money market funds with a maturity of three months or less to be cash equivalents.

##### **Income Taxes**

The Company is a limited liability company for income tax purposes and, accordingly, income or loss of the Company flows through to HCH.

##### **Revenue Recognition**

The Company records revenues and related expenses that are related to securities transactions on a trade date basis. In connection with the Company’s investment banking activities, revenues and any related expenses are recognized when earned in accordance with the applicable agreements.

##### **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 from those estimates.

HOULIHAN CAPITAL, LLC

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

*(continued)*

**NOTE 2 - NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. As of December 31, 2012 the Company had net capital and net capital requirements of \$289,984 and \$25,479, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 1.32 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

**NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS**

HCH entered into an exclusive license and royalty agreement ("Agreement") with an owner of HCH whereby the Company pays the individual royalties pursuant to the terms of the Agreement. The Company paid the individual \$7,368 under this Agreement for the year ended December 31, 2012.

During the year, HCH and such individual entered into mediation discussions to resolve any uncertainty relating to amounts owed from the Company to the individual. On September 24, 2012 HCH and the individual entered into a Settlement Agreement and Release ("Settlement Agreement") which resulted in the termination of the previous Agreement. The Company was not a party to the Settlement Agreement and has no liability to the individual as a result of the Settlement Agreement.

The Company occupies office space which is leased by HCH. The Company is charged on a month to month basis for approximately 30% of the entire amount of the rent. Total rent expense of \$86,202 was charged to operations during the year ended December 31, 2012.

HCH pays a significant portion of general overhead expenses on behalf of the Company and is reimbursed by the Company for such expenses. During the year ended December 31, 2012, the Company reimbursed HCH for indirect overhead support costs of \$255,186.

The Company held intercompany balances due to and from HCH and other affiliates during the year. The distribution to HCH of \$408,498 during the year ended December 31, 2012 represents a reduction of an intercompany receivable due from HCH and was not settled in cash.

HOULIHAN CAPITAL, LLC

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

*(concluded)*

**NOTE 4 - OFF-BALANCE SHEET RISKS**

In the Company's investment activities, the Company may receive securities for its services and may incur losses if the market value of the securities decline subsequent to December 31, 2012.

The Company's financial instruments, including cash and cash equivalents, due from broker, receivables from customers, other assets, accrued compensation payable and accounts payable, are carried at amounts which approximate fair value due to the short-term nature of those instruments.

**NOTE 5 - 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.