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

SEC FILE NUMBER  
8-49445

**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, 2012 AND ENDING DECEMBER 31, 2012  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: VENTURE PARTNERS CAPITAL LLC

**OFFICIAL USE ONLY**

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

FIRM ID. NO.  
41463

1224 MILL STREET, BLDG. A  
(No. and Street)

EAST BERLIN  
(CITY)

CT  
(state)

06023  
(zip Code)

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

SAM OCCHIPINTI

1-800-828-3332  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Karll, Harvey CPA, P.C.  
(NAME- IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)

41 Middle Street  
(Address)

Newburyport  
(City)

MA  
(State)

01950-2755  
(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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OATH OR AFFIRMATION

I, Sam Occhipinti swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Venture Partners Capital, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Jeni Segana  
Notary Public

Sam Occhipinti  
Signature  
President  
Title

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

- X (a) Facing page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Changes in Financial Condition.
- X (e) Statement of Changes in Stockholders' Equity, or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims, of Creditors.
- X (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- X (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
- X (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- X (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 240.17d-5 (e)(3).



## **Harvey E. Karll CPA, PC.**

41 Middle Street  
Newburyport, Massachusetts 01950  
(978)465-9512 Fax (978) 462-9043

### **Report on Internal Control Required By SEC Rule 17a-5 for a Broker-Dealer claiming an exemption From SEC Rule 15c3-3**

To the Members  
Venture Partners Capital, LLC  
East Berlin, CT

In planning and performing my audit of the financial statements of Venture Partners Capital, LLC for the year ended December 31, 2012; I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debts) 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 securities, I did not review the practices and procedures followed by the Company in any of the following:

Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13

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 above-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 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 any internal control or 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above.

I 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2012 to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, Management, the SEC, (Designated self-regulatory organization), 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.



Harvey E Karll CPA, P.C.  
Newburyport, MA  
February 19, 2013

**Venture Partners Capital, LLC**  
**Audited Financial Statements**  
**For the Year Ended December 31, 2012**

Venture Partners Capital, LLC  
Audited Financial Statements  
For the Year Ended December 31, 2012

\* \* \* TABLE OF CONTENTS \* \* \*

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## **Harvey E. Karll CPA, PC.**

41 Middle Street  
Newburyport, Massachusetts 01950  
(978)465-9512 Fax (978) 462-9043

Board of Directors  
Venture Partners Capital, LLC  
Kensington, CT

I have audited the accompanying statement of financial condition of Venture Partners Capital, LLC, as of December 31, 2012, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended, that are 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 these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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, I 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 statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Venture Partners Capital, LLC, as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Other Legal and Regulatory Requirements**

My 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 are 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 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 in Schedules I, and II 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 my opinion, the information Schedules I, and II is fairly stated in all material respects in relation to the financial statements taken as a whole.



Harvey E. Karll, CPA, PC  
Newburyport, MA

Date: February 19, 2013

Venture Partners Capital, LLC  
Statement of Financial Condition  
December 31, 2012

Assets

Cash and cash equivalents	\$	14,714
Accounts receivable; less allowance for doubtful accounts of \$1,000		74,744
Securities owned:		
Restricted stock and warrants, at market value (cost \$18,094)		1,066
Other, at market value (cost \$1,000)		1,000
	\$	<u>91,524</u>

Liabilities and Stockholder's Equity

Liabilities:		
Accounts payable and accrued expenses	\$	7,534
Member's equity		<u>83,990</u>
	\$	<u>91,524</u>

See accompanying notes and independent accountants' report

Venture Partners Capital, LLC  
Statements of Income  
For The Year Ended December 31, 2012

<b>Revenues</b>	
Consulting fees	\$ 201,296
Placement fees	30,000
Unrealized gain on securities owned	<u>498</u>
	231,794
<b>Expenses:</b>	
Professional services	174,914
Regulatory expenses	5,821
Other operating expenses	<u>11,037</u>
	191,772
<b>Net Income</b>	<u><u>\$ 40,022</u></u>

See accompanying notes and independent accountants' report

Venture Partners Capital, LLC  
Statement of Changes in Stockholders' Equity  
December 31, 2012

	<u>Total</u>
Members' equity - beginning of year	\$ 28,468
Net income	40,022
Members contributions	19,500
Members distributions	<u>(4,000)</u>
Balance - end of year	<u>\$ 83,990</u>

See accompanying notes and independent accountants' audit report.

Venture Partners Capital, LLC  
 Statements of Cash Flows  
 For The Twelve Months Ended December 31, 2012

		Year to Date
<b>Cash Provided from Operations</b>		
Net Income	\$ 40,022	
Adjustments		
Add:		
Accounts payable	940	
Sales tax payable	407	
Less:		
Investment securities	(499)	
Accrued professional fees	(286)	
Accounts receivable	<u>(57,785)</u>	
<b>Cash from Operations</b>		<b>(17,201)</b>
<b>Cash Flows - Invested</b>		
	<u>-</u>	
<b>Investing Cash Flows</b>		
		-
<b>Cash Flows - Financing</b>		
Members' distributions	(4,000)	
Members' capital contribution	<u>19,500</u>	
<b>Financing Cash Flows</b>		<u><b>15,500</b></u>
<b>Cash Increase (Decrease)</b>		<b>(1,701)</b>
<b>Cash - Beginning of Year</b>		
Cash - Bank of America	<u>16,415</u>	
Total beginning of year		<u><b>16,415</b></u>
Cash on Statement Date		<u><b>\$ 14,714</b></u>

See accompanying notes and independent accountants' report

Venture Partners Capital, LLC  
Notes to Financial Statements  
For the Year Ended December 31, 2012

1. NATURE OF BUSINESS

Venture Partners Capital, LLC, (the Company) was approved on July 29, 1997 as a broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a Delaware limited liability corporation conducting business in the state of Connecticut. The latest date on which the Company is to dissolve is December 31, 2046. The Company's revenue is primarily derived from providing investment banking services, which includes investment advisory services and participation in private placement offerings. The Company operates under the exemptive provisions of paragraph (k)(2)(i) of rule 15c3-3 of the Securities and Exchange Commission, which provides that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

The Company is classified as a partnership for federal income tax purposes and, therefore, the financial statements do not include a provision for income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2012, the company had \$0 in excess of FDIC insured limits. The company has not experienced any losses in such accounts.

Securities Owned

Marketable securities are valued at market value, based on last sales price for securities traded on a national exchange or last bid price for securities traded over-the-counter. Restricted warrants and stock are valued, based on market quotations of related unrestricted stock, if available, or determined by the managing member.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less.

See accompanying notes and independent accountants' report

Venture Partners Capital, LLC  
Notes to Financial Statements  
For the Year Ended December 31, 2012

Fair Values of Financial Instruments

Financial Accounting Standards Board Statement No. 107 (SFAS No. 107), requires disclosure of the fair values of most on- and off-balance sheet financial instruments for which it is practicable to estimate that value. The scope of SFAS No. 107 excludes certain financial instruments, such as trade receivables and payables when the carrying value approximates the fair value, employee benefit obligations and All non-financial instruments, such as fixed assets. The fair value of the Company's assets and liabilities which qualify as financial instruments under SFAS No. 107 approximate the carrying amounts presented in the Statement of Financial Condition.

Depreciation

The fixed assets of the Company are recorded at cost. Depreciation is recorded on the straight-line basis over the estimated useful life of the related assets. Routine repairs and maintenance are expenses as incurred. The estimated lives of the Company's assets are as follows:

Office equipment	3-7 years
------------------	-----------

Depreciation expense for 2012 is \$0.

Accounts Receivable

Customer receivables are recorded at net realizable value; net of \$1,000 allowance for doubtful accounts.

Revenue Recognition

The Company receives cash, restricted stock and warrants in exchange for certain placement services rendered. Any restricted stock and warrants received are initially recorded as revenue, using the Company's estimate of fair value at the date of receipt. Subsequent changes in fair value are reflected as increases or decreases in fair value of securities owned.

3. NET CAPITAL

As a broker/dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital computed under 15c3-1 was \$7,180 at December 31, 2012, which exceed required net capital of \$5,000 by \$2,180. The ratio of aggregate indebtedness to net capital at December 31, 2012 was 1.04 to 1.0.

Venture Partners Capital, LLC  
Notes to Financial Statements  
Year Ended December 31, 2012

4. CASH FLOWS

Cash paid for interest and income taxes is as follows:

Interest	<u>\$ 0</u>
Taxes	<u>\$ 0</u>

5. RELATED PARTY TRANSACTIONS

A spouse of one of the partners is the chief operating officer of the Company. He was paid \$38,850 in 2012 for his work.

A related company, Venture Partners Advisors, LLC was paid \$127,025 for professional services in 2012. There was nothing payable to them as of December 31, 2012.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2013, the date on which the financial statements were available to be issued.

7. INCOME TAXES

The Company continues to be subject to federal or state tax examinations by taxing authorities for years 2009, 2010, and 2011.

8. FAIR VALUE

The Company's financial statements are cash and cash equivalents. The recorded values of cash and cash equivalents approximate their fair values based on their short-term nature.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

Venture Partners Capital, LLC  
Notes to Financial Statements  
Year Ended December 31, 2012

8. FAIR VALUE (continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2012.

Fair Value Measurements on a Recurring Basis  
As of December 31, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Netting and Collateral</u>	<u>Total</u>
<b>ASSETS</b>					
Equities	\$1,066	\$ 0	\$ 0	\$ 0	\$1,066
<b>LIABILITIES</b>					
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

9. CONCENTRATION

Four clients represented 100% of the 2012 revenues of which one client was 36% of 2012 revenues.

## **SUPPLEMENTARY INFORMATION**

Venture Partners Capital, LLC  
Schedule I  
Computation of Net Capital  
December 31, 2012

Total member's equity qualified for net capital		\$	83,990
Deductions:			
Nonallowable assets			
Receivable	74,744		
Securities owned- restricted stock and warrants	2,066		76,810
Net capital			7,180
Less: Capital requirement			5,000
Excess capital		\$	2,180
Aggregate indebtedness		\$	7,534
Ratio of aggregate indebtedness to net capital			1.04 to 1.0

There is no material difference between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of December 31, 2012.

Schedule II  
 FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
 PART IIA

BROKER OR DEALER Venture Partners Capital, LLC as of 12/31/12

EXEMPTIVE PROVISION UNDER RULE 15c3-3

If an exemption from Rule 15c3-3 is claimed, identify below; the section upon which such exemption is based:

A. (k)(1) business (mutual funds and/or variable annuities only) \_\_\_\_\_ 4550

B. (k)(2)(A) "Special Account for the exclusive benefit of customers" maintained \_\_\_\_\_ X 4560

C. (k)(2)(ii) All customer transactions cleared through another broker-dealer on a fully disclosed basis  
 Name of clearing firms \_\_\_\_\_ 4570

Code	Clearing Firm SEC#s	Name	Product
8-	[4335A]	[4335A2]	[4335B]
8-	[4335C]	[4335C2]	[4335D]
8-	[4335E]	[4335E2]	[4335F]
8-	[4335G]	[4335G2]	[4335H]
8-	[4335I]	[4335I2]	[4335I]

D. (k)(3) Exempted by order of the Commission \_\_\_\_\_ 4580