

12/22/14

SECURITIES DIVISION



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

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8- 28004

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 October 1, 2013 AND ENDING September 30, 2014 \*  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Loeb Partners Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

125 Broad Street

(No. and Street)

New York

NY

10004

(City)

(State)

(Zip Code)

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

Thomas L. Kempner

212-483-7022

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Raich Ende Malter & Co. LLP

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

1375 Broadway, 15th Floor

New York

NY

10018

(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)

T9  
12/23/14

OATH OR AFFIRMATION

I, Thomas L. Kempner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Loeb Partners Corporation, as of September 30, 20 14, 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

CHAIRMAN OF THE BOARD

Title

WILLIAM PEREZ

Notary Public - State of New York

No. 01PE6222645

Qualified in Kings County

My Commission Expires May 24, 20 18



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 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.

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

**LOEB PARTNERS CORPORATION**

**STATEMENT OF FINANCIAL CONDITION**

**SEPTEMBER 30, 2014**

**(FILED PURSUANT TO RULE 17a-5(e)(3) UNDER THE  
SECURITIES EXCHANGE ACT OF 1934 FILED AS A PUBLIC DOCUMENT)**

**LOEB PARTNERS CORPORATION**  
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**SEPTEMBER 30, 2014**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors of  
Loeb Partners Corporation  
New York, New York

We have audited the accompanying statement of financial condition of Loeb Partners Corporation, (the "Company") as of September 30, 2014. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Loeb Partners Corporation as of September 30, 2014, in conformity with accounting principles generally accepted in the United States.



RAICH ENDE MALTER & CO. LLP  
New York, New York  
November 25, 2014



**LOEB PARTNERS CORPORATION**  
**STATEMENT OF FINANCIAL CONDITION**  
**SEPTEMBER 30, 2014**

**ASSETS**

Cash	\$ 109,836
Receivable from brokers-dealers	1,335,274
Accrued fee income	84,255
Commissions receivable	133,513
Securities owned, at fair value	2,324,200
Receivable from parent	3,646,292
Equipment (net of accumulated depreciation of \$26,003)	17,471
Other assets	<u>76,885</u>
 Total assets	 <u>\$ 7,727,726</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities	
Accounts payable and other accrued liabilities	\$ 200,816
Accrued compensation	<u>114,218</u>
 Total liabilities	 <u>315,034</u>
 Commitments and contingencies	
 Stockholder's equity	
Common stock, \$.01 par value,	
Authorized: 10,000 shares	
Issued and outstanding: 3,600 shares	36
Additional paid-in capital	14,054,773
Accumulated deficit	<u>(6,642,117)</u>
 Total stockholder's equity	 <u>7,412,692</u>
 Total liabilities and stockholder's equity	 <u>\$ 7,727,726</u>

See report of independent registered public accounting firm and notes to financial statement.

**LOEB PARTNERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2014**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies**

**Nature of Broker-Dealer Business**

Loeb Partners Corporation (the "Company") is a Delaware corporation formed for the purpose of conducting business as a broker-dealer in securities, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clears all transactions on behalf of customers on a fully-disclosed basis with a clearing broker-dealer, and promptly transmits all customer funds and securities to the clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker-dealer.

**Nature of Advisory Services**

The Company, as a Registered Investment Advisor pursuant to Section 203 of the Investment Advisors Act of 1940, provides investment and advisory services to individuals, businesses and institutional clients.

**Securities Owned, at Fair Value**

Securities owned are accounted for as investments (not held for trading) and are recorded at fair value.

**Equipment**

Equipment is recorded at cost.

The Company depreciates its equipment using the straight-line method over its estimated useful life of 5 years

Maintenance and repairs are charged to operations. Major renewals and improvements are capitalized. At the time an item of physical property is retired, sold, or otherwise disposed of, the cost of the asset and the related accumulated depreciation applicable to such an item are relieved. Gains or losses resulting from retirements or sales are charged or credited to income.

**LOEB PARTNERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2014**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of a financial statement in conformity with U.S. generally accepted accounting principles 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 statement. Actual results could differ from those estimates.

**Income Taxes**

Accounting for income taxes requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statements and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future, based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company is a wholly owned subsidiary of Loeb Holding Corporation (“Parent”) and for federal, state and city corporate income tax purposes, files on a consolidated basis with its Parent. Accordingly, the Company’s annual federal, state and city income taxes are due to the Parent or from the Parent in the case of tax benefits.

The Company recognizes the tax benefits of uncertain tax positions only where the positions are “more likely than not” to be sustained assuming examination by tax authorities and determined to be attributed to the Company. The determination of attribution, if any, applies for each jurisdiction where the Company is subject to income taxes on the basis of tax laws and regulations of the jurisdiction. The application of tax laws and regulations is subject to legal and factual interpretation, judgment and uncertainty. Tax laws and regulations themselves are subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations and court rulings. Therefore, the actual liability of the various jurisdictions may be materially different from management’s estimate which is zero as of September 30, 2014.

Management has analyzed the Company’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded for related tax positions taken on returns filed for open years 2010-2012, or expected to be taken in year 2013 tax returns. The Company identifies its major tax jurisdictions as U.S. Federal and New York State and City where the Company operates. The Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

**LOEB PARTNERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2014**

**Note 2 - Fair Value Measurements of Securities Owned**

Fair value is defined, as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

The fair value methodology prioritizes techniques used to measure fair value into three broad levels:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Significant unobservable inputs that reflect the Company’s own assumptions that market participants would use in pricing the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Securities and investments traded on a national securities exchange are stated at the last quotations on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sales were reported on that date are stated at the last quoted bid price. Restricted securities or other securities for which quotations are not readily available are valued by management on an individual basis.

The inputs and methodology used for valuing the following securities are not necessarily an indication of the risk associated with investing in those securities.

<u>Description</u>	<u>Level 1</u>
Listed Mutual Fund SPDR Gold shares	\$ <u>2,324,200</u>

**Note 3 - Net Capital Requirements**

The Company is subject to the SEC’s Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital of \$250,000, under the alternative method of capital computation. The Company had net capital of \$2,944,346 at September 30, 2014, which was \$2,694,346 in excess of its required net capital.

**LOEB PARTNERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2014**

**Note 4 - Related Party Transactions**

Related party transaction at September 30, 2014 is as follow:

	<u>Receivable From Parent</u>
Loeb Holding Corp. (Parent) (LHC)	\$3,646,292

LPM, a company wholly owned by LHC, is the general partner and investment advisor of LPF and is the investment advisor of LPOF. The Company provides brokerage services to LPF and LPOF.

Effective October 1, 2013 the Company entered into a Management Services Agreement with LHC, whereby the Company is charged a management service fee for administrative and back-office services by LHC on a monthly basis.

In addition LHC charges the Company for its respective share of office rent.

**Note 5 - 401(k) Profit Sharing Plan**

The Company sponsors a non-contributory 401(k) profit sharing plan that covers substantially all employees. Eligible employees may contribute up to 20% of their annual compensation, not to exceed \$17,500 for 2014.

**Note 6 - Financial Instruments with Off-Balance-Sheet Credit Risk**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company's transactions are collateralized and are executed with and on behalf of banks, brokers and dealers, and other financial institutions. The Company introduces these transactions for clearance to another broker-dealer on a fully-disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' abilities to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker-dealer provides that the Company is obligated to assume possible exposure related to such non-performance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker-dealer's internal guidelines. The Company monitors its customer activity based on information it receives from its clearing broker-dealer, and requires customers to deposit additional collateral, or reduce positions, when necessary.

**LOEB PARTNERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2014**

**Note 6 - Financial Instruments with Off-Balance-Sheet Credit Risk (Continued)**

In the normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The Company also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including subcustodians and third-party brokers, improperly executed transactions. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

From time to time, the Company's bank balances may exceed FDIC insurance limits of \$250,000.

**Note 7 - Subsequent Events**

Subsequent events have been evaluated through the date of issuance and management has determined that no subsequent events occurred that would require adjustment or disclosure in the financial statement or accompanying notes.