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ANNUAL AUDITED REPORT  
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PART III

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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 01/01/2014 AND ENDING 12/31/2014 \*  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: McMorgan & Company Capital Advisors LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

One Front Street, Suite 500

(No. and Street)

San Francisco

(City)

CA

(State)

94111

(Zip Code)

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

John Santaguida

415-788-9300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Moss Adams LLP

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

101 Second Street, Suite 900

(Address)

San Francisco

(City)

CA

(State)

94105

(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

MAY 20 2015

DIVISION OF TRADING & MARKETS

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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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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

### OATH OR AFFIRMATION

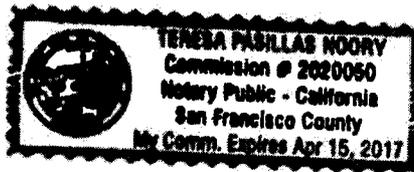
I, John Santaguida, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of McMorgan & Company Capital Advisors LLC, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the 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, CCO  
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 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).

Report of Independent Registered Public  
Accounting Firm and Financial Statement

**McMorgan & Company Capital  
Advisors, LLC**

December 31, 2014

**MOSS ADAMS** LLP

Member of the *Moss Adams Group*

*Accounting • Audit • Advisory*

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**MOSS ADAMS** LLP  
Certified Public Accountants • Chartered Accountants

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors  
McMorgan & Company Capital Advisors, LLC

We have audited the accompanying financial statement of McMorgan & Company Capital Advisors, LLC (the "Company") which comprises the statement of financial condition as of December 31, 2014, and the related notes to the financial statement. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement 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 financial statement is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, 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 statement referred to above presents fairly, in all material respects, the financial position of McMorgan & Company Capital Advisors, LLC as of December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

San Francisco, California  
February 23, 2015

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**FINANCIAL STATEMENTS**

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**MCMORGAN & COMPANY CAPITAL ADVISORS, LLC**  
**Statement of Financial Condition**  
**December 31, 2014**

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**ASSETS**

Cash and cash equivalents	\$	615,134
Placement fee receivable		41,772
Intangible asset		24,063
Other assets		<u>9,674</u>
Total assets	\$	<u>690,642</u>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES**

Accounts payable and accrued expenses	\$	19,345
Due to Parent Company		<u>49,532</u>
Total liabilities		<u>68,877</u>

**MEMBER'S EQUITY**

		<u>621,765</u>
Total liabilities and member's equity	\$	<u>690,642</u>

**Note 1 – Organization**

McMorgan & Company Capital Advisors, LLC (the "Company"), was incorporated on October 1, 2012 ("Inception"), in the State of Delaware. The Company is a registered broker-dealer with the Securities and Exchange Commission (the "SEC"), is a member of the Financial Industry Regulatory Authority, Inc. (the "FINRA"), and is a wholly-owned subsidiary of McMorgan & Company LLC (the "Parent"). The Company is in the business of providing investment management services to employee benefit plans. The Company also provides solicitation, support, and client relations services to certain retirement/benefit plan investment advisory clients in the Taft-Hartley market space.

**Note 2 – Summary of Significant Accounting Policies**

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates based on assumptions about current and sometimes future economic and market conditions, which affect reported amounts and related disclosures in the Company's financial statements. Although the Company's estimates contemplate current conditions and how management expects them to change in the future, as appropriate, it is reasonably possible that future actual conditions could be different than anticipated in those estimates. Significant estimates include the useful life of the intangible asset.

**Cash and cash equivalents** – Cash and cash equivalents consist of demand deposits and are recorded at cost, which approximates fair value. The Company considers short-term, highly liquid investments with an original maturity date of three months or less to be cash equivalents.

**Placement fee receivable** – Placement fee receivable is presented net of estimated uncollectible amounts. The normal payment terms are generally 30 to 90 days from the invoice date, which are billed according to the agreement terms. The Company records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses. Individual uncollectible accounts are written off against the allowance when collection of the individual accounts appears doubtful. As of December 31, 2014, management believes all receivables are deemed collectable.

**Intangible asset** – The intangible asset consists of a license to operate as a broker dealer and was acquired in connection with the purchase of Radiant Securities, LLC, see Note 3. The Company later changed its name to McMorgan & Company Capital Advisors, LLC. This asset is being amortized on a straight-line basis over the period of expected benefit with no estimated residual value. The life of the intangible is determined to be four years.

The intangible asset is evaluated and accounted for in accordance with the provisions of Financial Accounting Standards Board's Accounting Standards Codification Topic 350 "Intangible Assets."

**Income taxes** – The Company is organized as a limited liability company, which is treated as a disregarded entity for federal tax purposes. Under limited liability company rules, substantially all income tax liabilities flow through to the Member, with the exception of certain state taxes. Federal, state, and local income taxes have not been provided for in these financial statements to the extent the Member of the Company is responsible for reporting its allocable share of income, gains, deductions, losses, and credits on its respective individual tax returns. The Company files income tax returns in the U.S federal jurisdiction and the state of California. Generally, the Company is subject to examination by federal (or state and local) income tax authorities for three years from the filing of a tax return.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of financial condition date but before financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial condition, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial condition but arose after the statement of financial condition date and before financial statements are issued. Management has evaluated events and transactions for potential recognition or disclosure through February 23, 2015, the date the financial statements were issued.

**NOTES TO THE FINANCIAL STATEMENTS**

**Note 3 – Purchase of McMorgan & Company Capital Advisors, LLC**

On October 1, 2012, the Parent acquired all of the assets of Radiant Securities, LLC. Under FASB ASC Topic 805, *Business Combination*, the Parent recorded the transaction as an asset purchase using the acquisition method of accounting. Accordingly, assets acquired are measured at their estimated fair values at the date of acquisition.

The final allocation of purchase price is presented in the following table.

Purchase price	<u>\$ 60,000</u>
Cash	\$ 5,000
Intangible asset (license to operate)	<u>55,000</u>
Fair value of assets acquired	<u>\$ 60,000</u>

The carrying value of the intangible assets as of December 31, 2014, was as follows:

Intangible asset (license to operate)	\$ 55,000
Accumulated amortization	<u>(30,937)</u>
	<u>\$ 24,063</u>

**Note 4 – Related-Party Transactions**

As of October 1, 2012, the Company entered into an Expense Sharing Agreement with its Parent, whereby the Company will reimburse the Parent for payroll and certain administrative costs.

**Note 5 – Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital 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, 2014, the Company had net capital of \$546,257, which was \$541,257 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital at December 31, 2014, was 0.13 to 1.

**Note 6 – Concentrations**

The Company has cash and cash equivalents in the form of deposits, which, from time to time, may exceed depository insurance limits. The Company has not experienced any losses in such accounts and believes they are not exposed to any significant risk of loss.

**Note 7 – Defined Contribution Plan**

Employees are eligible to participate in a 401(k) defined contribution plan administered by the Parent. The Parent matches 50% of an employee's contribution up to 6% of eligible compensation. In addition, the plan allows for a profit sharing contribution that is a discretionary contribution determined annually by the Parent. If made, the profit sharing contribution is based on a percentage of the employee's eligible earnings. The expense is covered by the Expense Sharing Agreement.