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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

3/2/15

**ANNUAL AUDITED REPORT**  
**FORM X-17A-5** Section  
**PART III** FEB 25 2015

SEC FILE NUMBER
8-65803

FACING PAGE

Washington DC

**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 01/01/14 AND ENDING 12/31/14  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Billow Butler & Company, L.L.C.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

10 South Wacker Drive, Suite 2050

(No. and Street)		
<u>Chicago</u>	<u>IL</u>	<u>60606</u>
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Darrell M. Butler (312) 559-9055  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

FGMK, LLC

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

<u>333 W. Wacker Dr. - 6th Floor Chicago</u>			
(Address)	(City)	(State)	(Zip Code)
		<u>IL</u>	<u>60606</u>

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

\*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)

3/5/15

**BILLOW BUTLER & COMPANY, L.L.C.**

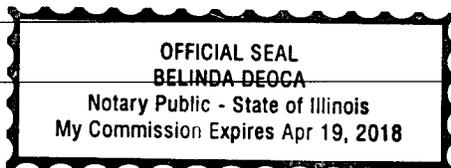
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OATH OR AFFIRMATION

I, Darrell M. Butler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Billow Butler & Company, L.L.C., 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:

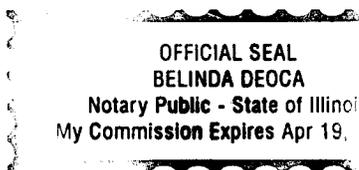


Handwritten signature of Darrell M. Butler over the line labeled 'Signature'.

Managing Director

Title

Handwritten signature of Belinda Deoga over the line labeled 'Notary Public', with the date '2-23-15' written next to it.



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

- Checklist of report contents: (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**

To the Members  
Billow Butler & Company, L.L.C.

We have audited the accompanying statement of financial condition of Billow Butler & Company, L.L.C. as of December 31, 2014. This financial statement is the responsibility of Billow Butler & Company, L.L.C.'s management. Our responsibility is to express an opinion on this 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes 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 present fairly, in all material respects, the financial position of Billow Butler & Company, L.L.C. as of December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

*FGMK, LLC*

Chicago, Illinois  
February 11, 2015

**FGMK, LLC**

2801 Lakeside Drive, 3rd Floor ■ Bannockburn, IL 60015 ■ 847 374 0400  
333 W. Wacker Drive, 6th Floor ■ Chicago, IL 60606 ■ 312 818 4300 ■ fgmk.com

**BILLOW BUTLER & COMPANY, L.L.C.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

<b>ASSETS</b>	<b>ASSETS</b>
Cash	\$ 1,303,554
Fees receivable	45,965
Property and equipment, net of accumulated depreciation and amortization of \$248,922	19,894
Prepaid expenses	5,000
Security deposit	<u>27,079</u>
	<u><u>\$ 1,401,492</u></u>
 <b>LIABILITIES AND MEMBERS' EQUITY</b>  	
<b>LIABILITIES</b>	
Accounts payable, accrued expenses and other liabilities	\$ 152,982
<b>MEMBERS' EQUITY</b>	<u>1,248,510</u>
	<u><u>\$ 1,401,492</u></u>

The accompanying notes are an integral part of this statement.

## BILLOW BUTLER &amp; COMPANY, L.L.C.

## NOTES TO THE STATEMENT OF FINANCIAL CONDITION

## NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Description of Business.** Billow Butler & Company, L.L.C. (the “Company”), a boutique investment bank, serves business owners in connection with the sale of their companies and provides other merger and acquisition (“M&A”) activities, including leveraged (or liquidity) recapitalizations. The Company’s focus is middle market manufacturers, distributors, and service providers located throughout the United States for which the estimated sale price will exceed \$10 million. The Company is a registered broker-dealer in securities with the Securities and Exchange Commission (“SEC”). In addition, the Company is a registered member of the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer.

**Management Estimates and Assumptions.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. Accounting estimates used in the preparation of these financial statements change as new events occur, as more experience is acquired, as additional information is obtained and as the operating environment changes.

**Cash.** The Company regularly maintains cash balances that exceed Federal Depository Insurance Corporation limits.

**Fees Receivable and Allowances for Uncollectible Accounts.** Fees receivable are reported net of any estimated allowances for uncollectible accounts and contractual adjustments. All receivables are uncollateralized. To provide for receivables that could become uncollectible in the future, the Company may establish an allowance for uncollectible accounts to reduce the carrying amount of such receivables to their estimated net realizable value. The allowance for uncollectible accounts is based upon management’s assessment of historical and expected net collections, business and economic conditions, and other collection indicators. No allowance was deemed necessary by management as of December 31, 2014.

**Revenue Recognition.**

**Success Fee.** Success fees are earned in accordance with the terms of the executed agreement, typically either a fixed dollar amount or percentage of the purchase price upon closing of the transaction. Revenue is recognized as these events are completed. In some cases, revenue is collected for payments received by clients after closing subject to certain tests or thresholds.

**Retainer Fee.** Retainer fees are earned in accordance with the terms of the executed engagement agreement, which often includes an immediate up front payment and sometimes involves monthly payments thereafter for a set period.

**Valuation Fee.** Valuation fees are earned in accordance with the terms of the executed agreement. Often, an initial fee is recognized upon execution of a valuation engagement agreement and the remainder is recognized upon issuance of the report.

**Property and Equipment.** Property and equipment are recorded at cost and depreciated or amortized using the straight-line method over the estimated useful lives of the assets or, in the case of leasehold improvements, the lease term, if shorter.

**Income Taxes.** The Company, with the prior consent of its members, elected under the Internal Revenue Code to be taxed as a partnership. As such, the members of the limited liability company are taxed on their proportionate share of the Company’s taxable income. Therefore, no provision for Federal income taxes has been included in the accompanying financial statements. The Company’s net income or loss is allocated among the members in accordance with the operating agreement of the Company. The Company may be subject to various state and local income taxes.

(Continued)

## BILLOW BUTLER &amp; COMPANY, L.L.C.

## NOTES TO THE STATEMENT OF FINANCIAL CONDITION

## NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

**Income Taxes (Continued).** GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other tax authorities. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by the Internal Revenue Service or other tax authorities, generally for three years after the tax returns are filed; however, there are currently no audits for any tax periods in progress.

## NOTE 2 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (“SEC Rule 15c3-1”). Under this rule, the Company is required to maintain “minimum net capital” equivalent to \$5,000 or 6 2/3% of “aggregate indebtedness,” whichever is greater, and a rate of “aggregate indebtedness” to “net capital” less than 15 to 1, as these terms are defined. Rule 15c3-1 also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2014, the Company had net capital of \$1,150,572, which was \$1,140,373 in excess of its required net capital of \$10,199. The Company’s aggregate indebtedness to net capital ratio was .1330 to 1.

Management anticipates that material capital distributions will be made during the six months ending after December 31, 2014; however, the Company will maintain the required net capital requirements.

## NOTE 3 – LEASE COMMITMENTS AND DEFERED RENT

The Company leases its original office facility at 10 S. Wacker in Chicago, Illinois, under a noncancelable operating lease that requires monthly payments of \$6,003 through April 2015. In November of 2014, the Company began to lease a new space at 20 N. Wacker in Chicago, Illinois. The lease is also a noncancelable operating lease that requires monthly payments of \$9,164 to \$9,825 thru April of 2019. Both leases provide for payment of the Company’s share of real estate taxes and certain common area maintenance costs on a monthly basis.

Both leases require escalating rent payments over the life of the lease. GAAP requires rent expense to be recognized evenly over the lease life. During the initial years of the leases, this results in recognizing more rent expense than cash payments made. At each respective year-end, the excess of future payments of rent over future rent expense to be recognized is recorded as a liability on the statement of financial condition. The rent payments made over expenses recognized was \$10,297 for the year ended December 31, 2014 and, accordingly, expenses recognized over rent payments made has cumulatively decreased members’ equity by \$3,659 as of December 31, 2014.

Future minimum lease payments under this lease as of December 31, 2014, are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2015	\$ 97,660
2016	112,285
2017	114,267
2018	116,248
2019	39,300
	<u>\$ 479,760</u>

**BILLOW BUTLER & COMPANY, L.L.C.****NOTES TO THE STATEMENT OF FINANCIAL CONDITION****NOTE 4 – PROFIT SHARING PLAN**

The Company sponsors a retirement plan, Billow Butler & Company, L.L.C. Retirement Plan (the “Plan”) for the benefit of all eligible employees as defined in the Plan agreement. Any Company profit sharing contribution is discretionary. For the year ended December 31, 2014, the Company accrued a contribution of \$130,000, which is included in accounts payable, accrued expenses and other liabilities on the accompanying statement of financial condition.

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK**

For the year ended December 31, 2014, the Company derived 88.2% of its revenues from 4 contracts. The ongoing operation of the Company is economically dependent on its ability to enter into contracts with other parties.

**NOTE 6 – COMMITMENTS, CONTINGENCIES AND INDEMNIFICATIONS**

In the ordinary course of business, the Company may be subject to various claims, litigation, regulatory and arbitration matters. Although the effects of these matters cannot be determined, the Company’s management believes that their ultimate outcome will not have a material effect on the Company’s financial position, results of operations, or net cash flows.

In the ordinary course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnification under certain circumstances. The Company’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of future obligations under these indemnifications to be remote.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through the date the accompanying financial statements were issued.