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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  
FEB 26 2015

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**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: Atlantic-Pacific Capital, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

102 Greenwich Avenue, 2nd Floor

(No. and Street)

Greenwich

CT

06830

(City)

(State)

(Zip Code)

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

Anthony Bossone

(203) 861-5484

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Reynolds & Rowella, LLP

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

51 Locust Avenue

New Canaan

CT 06840

(Address)

(City)

(State)

(Zip Code)

**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)

OATH OR AFFIRMATION

I, Anthony Bossone, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Atlantic Pacific Capital, Inc. 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:

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

JASPER K MUI  
NOTARY PUBLIC  
STATE OF CONNECTICUT  
My Commission Expires Aug. 31, 2015

Anthony Bossone  
Signature  
Chief Financial Officer  
Title

Jasper K Mui  
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).

**Atlantic-Pacific Capital, Inc.**  
**Consolidated Financial Statements**  
**and Supplemental Information**  
**December 31, 2014**

**Atlantic-Pacific Capital, Inc.**  
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**For the Year Ended December 31, 2014**

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# Reynolds & Rowella<sup>LLP</sup>

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Thomas F. Reynolds, CPA ♦ Frank A. Rowella, Jr., CPA ♦ Steven I. Risbridger, CPA ♦ Scott D. Crane, CPA ♦ Ben Maini, CPA ♦ Dan Harris, CPA

## Report of Independent Registered Public Accounting Firm

To the Stockholder of  
Atlantic-Pacific Capital, Inc.  
Greenwich, Connecticut

We have audited the accompanying consolidated financial statements of Atlantic-Pacific Capital, Inc. and Subsidiaries (collectively, the "Company"), which comprise the consolidated statement of financial condition as of December 31, 2014, and the related consolidated statements of operations, comprehensive loss, changes in stockholder's 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 consolidated financial statements and supplemental information. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements 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 consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of their 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 consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial condition of Atlantic-Pacific Capital, Inc. and Subsidiaries as of December 31, 2014, 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.

The supplemental information contained on pages 17 through 19 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information

presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Reynolds & Rowella, LLP

New Canaan, Connecticut  
February 23, 2015

**Atlantic-Pacific Capital, Inc.**  
**Consolidated Statement of Financial Condition**  
**As of December 31, 2014**

---

**Assets**

**Current assets**

Cash	\$ 15,735,506
Placement fees receivable	12,598,771
Due from funds	256,509
Other current assets	<u>211,328</u>

**Total current assets** 28,802,114

Placement fees receivable	3,464,588
Property and equipment, net	182,495
Other assets	<u>65,962</u>

**Total assets** \$ 32,515,159

**Liabilities and stockholder's equity**

**Current liabilities**

Accounts payable and accrued expenses	\$ 1,700,216
Deferred revenue	277,098
Deferred tax	<u>160,000</u>

**Total current liabilities** 2,137,314

**Long term liabilities**

Accrued defined benefit plan obligation	<u>1,356,240</u>
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**Total liabilities** 3,493,554

**Stockholder's equity**

Common stock	1
Additional paid-in-capital	178,610
Retained earnings	28,712,396
Accumulated other comprehensive income	<u>130,598</u>

**Total stockholder's equity** 29,021,605

**Total liabilities and stockholder's equity** \$ 32,515,159

The accompanying notes are an integral part of these financial statements.

**Atlantic-Pacific Capital, Inc.**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2014**

---

<b>Revenues</b>	
Placement fees	\$ 40,501,839
Interest income	2,256,193
Other income	<u>3,802,895</u>
<b>Total revenues</b>	<u>46,560,927</u>
<b>Operating expenses</b>	
Salaries and related benefits	60,750,162
General and administrative	1,943,284
Bad debt expense	(4,654,688)
Professional fees	4,191,142
Travel	1,016,162
Depreciation and amortization	<u>74,479</u>
<b>Total operating expenses</b>	<u>63,320,541</u>
<b>Loss from operations before income taxes</b>	<u>(16,759,614)</u>
<b>Benefit from income taxes</b>	<u>(310,981)</u>
<b>Net loss</b>	<u>\$ (16,448,633)</u>

The accompanying notes are an integral part of these financial statements.

**Atlantic-Pacific Capital, Inc.**  
**Consolidated Statement of Comprehensive Loss**  
**For the Year Ended December 31, 2014**

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<b>Net loss</b>	<u>\$ (16,448,633)</u>
<b>Other comprehensive loss</b>	
Foreign currency translation adjustment	(108,596)
Defined benefit pension plan:	
Net loss arising during the period	<u>(493,246)</u>
Other comprehensive loss	<u>(601,842)</u>
<b>Comprehensive loss</b>	<u>\$ (17,050,475)</u>

The accompanying notes are an integral part of these financial statements.

**Atlantic-Pacific Capital, Inc.**  
**Consolidated Statement of Changes in Stockholder's Equity**  
**For the Year Ended December 31, 2014**

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	<b>Common Stock*</b>	<b>Additional Paid-in- Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income/(Loss)</b>	<b>Total Stockholder's Equity</b>
<b>Balance, December 31, 2013</b>	\$ 1	\$ 178,610	\$52,461,029	\$ 732,440	\$ 53,372,080
Distribution to owner	-	-	(7,300,000)	-	(7,300,000)
Net loss	-	-	(16,448,633)	-	(16,448,633)
Minimum pension liability	-	-	-	(493,246)	(493,246)
Currency translation adjustment	-	-	-	(108,596)	(108,596)
<b>Balance, December 31, 2014</b>	<u>\$ 1</u>	<u>\$ 178,610</u>	<u>\$28,712,396</u>	<u>\$ 130,598</u>	<u>\$ 29,021,605</u>

\* 3,000 shares of common stock have been authorized. 100 shares have been issued and remain outstanding with a par value of \$.01 per share.

The accompanying notes are an integral part of these financial statements.

**Atlantic-Pacific Capital, Inc.**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

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<b>Cash flows from operating activities</b>	
Net loss	\$ (16,448,633)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Allowance for doubtful accounts	(4,654,688)
Depreciation and amortization	74,479
Deferred tax	(440,000)
Changes in operating assets and liabilities:	
Placement fees receivable	35,388,594
Due from funds	394,609
Other assets	94,578
Accounts payable and accrued expenses	(874,122)
Deferred revenue	(222,332)
Accrued defined benefit plan obligation	280,941
	<u>13,593,426</u>
<b>Net cash provided by operating activities</b>	
<b>Cash flows from investing activities</b>	
Proceeds from sale of property and equipment	<u>199</u>
	<u>199</u>
<b>Net cash provided by investing activities</b>	
<b>Cash flows from financing activities</b>	
Distribution to owner	<u>(7,300,000)</u>
	<u>(7,300,000)</u>
<b>Net cash used in financing activities</b>	
Effect of foreign exchange rates	<u>(108,596)</u>
	<u>6,185,029</u>
<b>Net increase in cash</b>	
<b>Cash - beginning of year</b>	<u>9,550,477</u>
<b>Cash - end of year</b>	<u>\$ 15,735,506</u>
<b>Supplemental cash flow disclosure:</b>	
Cash paid during the year for:	
Income taxes	<u>\$ 52,408</u>

The accompanying notes are an integral part of these financial statements.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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**1. Nature of Business**

Atlantic-Pacific Capital, Inc. (the "Company") was incorporated in the State of Delaware on February 9, 1995. The Company is a registered broker-dealer subject to certain regulations of the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board. The Company is also a member of the Securities Investor Protection Corporation.

The Company raises capital from institutional investors for interests in private equity limited partnerships (the "Funds") that are not registered or publicly traded. The Company earns a fee based on a percentage of capital invested or committed to be invested in such Funds. The Company's agreements with its clients typically include a retainer fee and schedule of fee payments to be made over an extended period of time with interest after acceptance by a Fund of capital or capital commitments.

The Company's consolidated financial statements include two active wholly-owned subsidiaries, Atlantic-Pacific Capital Limited ("APC Ltd.") and Atlantic Pacific Capital Asia Limited ("APC Asia Ltd."). APC Ltd. operates in London, England, is registered with the Financial Conduct Authority, and markets the services of the Company in Europe. APC Asia Ltd. operates in Hong Kong, China, is registered with the Securities and Futures Commission, and markets the services of the Company in Asia. All significant intercompany balances and transactions have been eliminated.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The consolidated financial statements of Atlantic-Pacific Capital, Inc. and its subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States of America.

**Foreign Currency Translation**

The Company's reporting currency is the U.S. Dollar. APC Ltd.'s functional currency is the British Pound, its local currency. APC Asia Ltd.'s functional currency is the Hong Kong Dollar, its local currency. All asset and liability accounts of APC Ltd. and APC Asia Ltd. are translated at year-end exchange rates and income and expenses are translated into U.S. Dollars using weighted average exchange rates. Resulting translation adjustments are reported as a separate component of comprehensive loss on the statement of consolidated comprehensive loss.

**Revenue and Expense Recognition**

Placement fees are recognized as earned upon acceptance of capital or capital commitments by a Fund. The Company receives non-refundable retainer fees upon execution of agreements with Funds to provide capital raising services, which are recorded as revenues when earned ratably over the longer of the term of the client engagement or the relationship with these clients, and are included in placement fees on the consolidated statement of operations. All other income and expenses are recognized when earned and incurred, respectively.

**Placement Fees Receivable**

Placement fees receivable are typically due over one to three years commencing upon acceptance of capital or capital commitments by a Fund. Placement fees accrue interest at various rates that range from 4.25% to 7.25%. The Company recognized \$2,243,782 of interest income on the

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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unpaid balance for the year ended December 31, 2014. When there is no stated interest rate the Company discounts placement fees receivable balances that extend beyond one year at a rate of 5.6%. There were no such placement fees receivable balances that extend beyond one year at December 31, 2014. Placement fees may be prepaid in whole or in part any time without premium or penalty. The Company recognizes an allowance for uncollectible placement fees by individual account analysis based on the client's ability to pay, willingness to pay and the expected recovery of amounts from applicable collection methods. At December 31, 2014, the Company did not have an allowance for doubtful accounts as all receivable amounts are deemed fully collectible.

**Cash and Cash Equivalents**

The Company considers all short term investments with an original maturity of 90 days or less to be cash equivalents. There were no cash equivalents at year-end.

**Net Revenue Participation**

Pursuant to agreements with certain employees, under specific circumstances, the Company is obligated to compensate such individuals at agreed upon percentages of placement fees and interest received less operating expenses incurred ("net revenue participation"). The Company recognizes net revenue participation expense quarterly as placement fees and interest are received and operating expenses are incurred by the Company. Net revenue participation expense is included in salaries and related benefits on the consolidated statement of operations.

**Due from Funds**

The Company is reimbursed by the Funds for all reasonable travel, telephone, postage and other out-of-pocket expenses incurred in relation to the capital raising services provided.

**Property and Equipment, Net**

Property and equipment are recorded at cost. Depreciation and amortization are provided using accelerated methods in accordance with accounting principles generally accepted in the United States of America over the estimated useful lives of the assets. Property and equipment consist of the following:

Asset	Life	Carrying Value
Computer equipment and software	3 - 5 years	\$ 343,890
Furniture and fixtures	4 - 7 years	167,915
Leasehold improvements	The lesser of the life of lease or the leasehold improvements	487,099
		<u>998,904</u>
Less accumulated depreciation and amortization		<u>(816,409)</u>
Property and equipment, net		<u>\$ 182,495</u>

**Income Taxes**

The stand-alone United States entity, Atlantic-Pacific Capital, Inc. ("APC, Inc.") has elected to be taxed under the provisions of subchapter "S" of the Internal Revenue Code. Under those provisions, APC, Inc. does not pay federal income taxes on its taxable income. Instead, the stockholder is liable for individual federal income taxes on the taxable income of APC, Inc. Based upon various apportionment factors and state and local income tax laws, APC, Inc. may be liable for income taxes in certain states and cities in which APC, Inc. does business.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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APC Ltd. is liable for corporation taxes in the United Kingdom based upon its taxable income.

APC Asia Ltd. is liable for corporation taxes in Hong Kong, a Special Administrative Region of the People's Republic of China, based upon its taxable income.

Management has evaluated and concluded that the Company has taken no uncertain tax positions that require adjustment or disclosure in the financial statements. The Company's 2011 through 2014 tax years are open for examination by federal, state and local tax authorities.

**Use of Estimates in Financial Statements**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates in the financial statements include an allowance for doubtful accounts and assumptions used to determine the pension liabilities. Actual results may differ from those estimates.

**Fair Value Measurements**

The Company records its financial assets and liabilities at fair value. The accounting standard for fair value which provides a framework for measuring fair value clarifies the definition of fair value and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting standard establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**3. Aged Analysis of Placement Fees Receivable**

The following table summarizes the aging of the Company's placement fees receivable at December 31, 2014:

	20-59 Days Past Due	60-89 Days Past Due	90 Days Or More Past Due	Total Past Due	Current	Total Placement Fees Receivable
Placement fees receivable	\$ 187,500	\$ -	\$ -	\$ 187,500	\$15,875,859	\$16,063,359
Total	<u>\$ 187,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,500</u>	<u>\$15,875,859</u>	<u>\$16,063,359</u>

**4. Provision for Income Taxes**

Income taxes consist of the following at December 31, 2014:

Current tax expense	
APC, Inc.	\$ 90,762
APC Ltd.	-
APC Asia Ltd.	38,257
Total current tax expense	<u>129,019</u>
Deferred tax benefit	
APC, Inc.	(440,000)
Total deferred tax benefit	<u>(440,000)</u>
Total income tax expense	<u>\$ (310,981)</u>

APC, Inc. has recorded a deferred tax liability of \$160,000 relating to certain state and city taxes which APC, Inc. is responsible for. APC, Inc.'s deferred tax liabilities primarily result from placement fee receivables. APC Ltd. has a deferred tax asset of \$53,221 which has been fully reserved for due to the uncertainty of its recoverability.

**5. Operating Leases**

The Company leases office space in various cities throughout the United States, Europe and Asia under noncancelable operating leases expiring at various dates through October, 2021.

The following is a schedule of future minimum annual lease payments required under these noncancellable operating leases:

<b>Year Ending December 31,</b>	
2015	476,473
2016	361,551
2017	232,089
2018	239,322
2019	245,028
Thereafter	466,191
	<u>\$ 2,020,654</u>

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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Rent expense for the year ended December 31, 2014 totaled \$617,873. It is reflected on the consolidated statement of operations as a component of general and administrative expenses.

**6. Profit Sharing Plan and Pension Plan**

The Company (the "Plan Sponsor") sponsors a defined contribution plan covering substantially all of its employees. Contributions at the discretion of the Company are determined as a percentage of each covered employee's compensation and totaled \$455,286 for the year ended December 31, 2014.

The Company also sponsors a defined benefit pension plan (the "Plan"), covering eligible employees who are 21 years of age with one or more years of service. Pension benefits are based on years of service and the employee's average compensation during the last five years of employment. The Company's funding policy is to contribute the amount required to fully fund the Plan's current liability or the amount necessary to meet the applicable regulations.

The Company's overall investment strategy is to provide a regular and reliable source of income to meet the liquidity needs of the Plan and minimize reliance on Plan Sponsor contributions as a source of benefit security. The Company's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner necessary to meet expected future benefits earned by participants. The target allocation by major asset classes is central to the investment policy. The objective of the target allocation is to ensure assets are invested with the intent to protect Plan assets so that such assets are preserved for the provision of benefits to participants and their beneficiaries and such long-term growth as may maximize the amounts available to provide such benefits without undue risk. Also considered are the weighted average return of capital and historical returns on comparable equity, debt, and other investments. The overall investment strategy is to achieve approximately 50% equity securities, 40% fixed income securities and 10% real asset securities. At December 31, 2014, the Plan's master trust was invested as follows: cash and cash equivalents of 2%, equity securities of 51%, fixed income securities of 38% and real asset securities of 9%.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

At December 31, 2014, all of the Plan assets were included in Level 1. The fair values of the Plan assets at December 31, 2014, by asset category are as follows:

<u>Asset Category</u>	<u>Total</u>	<u>Fair Value Measurements at December 31, 2014 Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Cash	\$ 74,946	\$ 74,946
Equity securities: <sup>(a)</sup>		
U.S. large-cap	960,036	960,036
U.S. mid-cap	194,496	194,496
U.S. small-cap	137,297	137,297
International developed markets	403,180	403,180
International emerging markets	160,921	160,921
Fixed income securities: <sup>(b)</sup>		
Domestic	1,185,295	1,185,295
International	203,338	203,338
Real estate securities <sup>(c)</sup>	177,615	177,615
Commodities securities <sup>(d)</sup>	151,010	151,010
<b>Total</b>	<b>\$ 3,648,134</b>	<b>\$ 3,648,134</b>

(a) This category is comprised of actively managed and index domestic and international equity mutual funds and an exchange traded fund.

(b) This category is comprised of actively managed and index domestic and international bond mutual funds.

(c) This category is comprised of an index domestic real estate mutual fund.

(d) This category is comprised of an actively managed commodity mutual fund.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

The components of net periodic benefit cost, assumptions, change in projected benefit obligation, change in Plan assets and the unfunded status reconciliation for the Plan as of December 31, 2014 are as follows:

<b>Components of net periodic benefit cost</b>	
Service cost	\$ 1,640,563
Interest cost	156,631
Expected return on Plan assets	(165,982)
Amortization of net (gain)/loss	(27,271)
Net periodic benefit cost	<u>\$ 1,603,941</u>
<b>Weighted average assumptions used to determine net periodic benefit cost and benefit obligation</b>	
Discount rate at December 31	4.10%
Weighted average rate of compensation increase	1.50%
Expected long-term return on Plan assets	5.50%
<b>Change in projected benefit obligation</b>	
Benefit obligation at the beginning of the year	\$ 3,013,921
Service cost	1,640,563
Interest cost	156,631
Actuarial (gain)/loss	387,542
Benefits paid	(194,283)
Benefit obligation at the end of the year	<u>\$ 5,004,374</u>
<b>Change in Plan assets</b>	
Fair value of the Plan assets at the beginning of the year	\$ 2,431,869
Actual return on Plan assets	87,548
Employer contributions	1,323,000
Benefits paid	(194,283)
Fair value of the Plan assets at the end of the year	<u>\$ 3,648,134</u>
<b>Unfunded status</b>	<u>\$ 1,356,240</u>
<b>Amount recognized in the statement of financial condition</b>	
Accrued defined benefit plan obligation	<u>\$ 1,356,240</u>
The following benefit payments are expected to be paid out of the Plan over the next 10 years ending December 31:	
2015	\$ -
2016	126,386
2017	123,707
2018	120,981
2019	118,201
Thereafter to 2024	546,834
	<u>\$ 1,036,109</u>

**7. Concentration of Credit Risk**

The Company and its subsidiaries maintain cash and savings accounts at two financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per insured bank account. At all times during the year, balances exceeded insured limits. The Company has not experienced any losses in the past in these accounts.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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The Company derives its revenue from a few clients and there is a concentration of placement fees receivable associated with these clients. As of December 31, 2014, approximately 66% of the Company's placement fees receivable were due from two clients.

**8. Commitments and Contingencies**

In the normal course of business, the Company enters into contracts that contain a variety of representations, warranties and indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve potential future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

On May 3, 2010, the Company commenced arbitration action against a client for failing to pay contractual fees for performing placement agent services and for violating other provisions of the placement agreement. As a result of this action, the client filed a complaint against the Company seeking injunctive relief staying the arbitration, legal costs and interest. The Company successfully moved to compel arbitration and dismiss the client's complaint. On October 16, 2014, the final arbitration award was issued concluding the Company did not prove by a preponderance of the evidence that the client breached the placement agreement and the client as the prevailing party is entitled to reimbursement of legal fees and arbitration costs in the amount of \$700,718. This amount has been recognized in professional fees on the consolidated statement of operations.

On November 15, 2011, the Company commenced arbitration actions against another client for failing to pay contractual fees for the performance of placement agent services and for violating other provisions of the placement agreement. On October 16, 2013, the arbitration tribunal issued a partial award which resolved the parties' dispute in the Company's favor. On November 13, 2013, the client filed a complaint against the Company to challenge the award and the Company responded to such complaint on January 20, 2014. At December 31, 2013, the Company had recognized \$1,186,344 in placement fees receivable and no accrued interest due from the client. On June 16, 2014, the court remitted the award, in part, to the same arbitration tribunal for further consideration. On September 24, 2014, the Company entered into a settlement agreement with the client which settled the dispute and terminated all legal proceedings and agreements between the parties. On October 23, 2014, the settlement agreement became effective upon receipt of the settlement payment in the amount \$9.6 million. As a result during 2014, the Company reversed its December 31, 2013 allowance for doubtful accounts of \$4,654,688 and recognized interest income of \$750,632 for the interest accrued on the past due placement fees as well as other income in the amount of \$3,008,336. At December 31, 2013, the Company had recognized \$1,186,344 in placement fees receivable and no accrued interest due from the client.

On October 1, 2013, the Company commenced arbitration actions against another client for failing to pay contractual fees for the performance of placement agent services. At December 31, 2013, the Company had recognized \$3,992,145 in placement fees receivable and no accrued interest due from the client. On January 24, 2014, the Company entered into a settlement agreement which resulted in payment of the entire placement fees receivable as well as \$861,556 of which \$361,556 was for the interest accrued on the past due placement fees and \$500,000 was recognized as other income.

**Atlantic-Pacific Capital, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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**9. Related Party Transactions**

The Company's sole stockholder from time to time uses Company resources to provide services to an affiliate also owned by the Company's stockholder. Amounts charged to an affiliate by the Company are at cost and recorded as a reduction of the actual expense incurred. Such amounts charged to the affiliate for the year ended December 31, 2014 totaled \$28,406. The Company has been reimbursed by the affiliate for the full amount.

The same affiliate provided services to the Company in the amount of \$58,525 for the year ended December 31, 2014 which has been recorded as expenses as incurred. The Company has paid the affiliate for the full amount.

An officer of the Company has provided a personal guarantee of an office lease obligation.

**10. Customer Securities – Possession and Control Requirements**

The Company is exempt from certain provisions of Rule 15c3-3 under paragraph (k)(2)(i) of the Securities Exchange Act of 1934 since it carries no customer accounts, and does not otherwise hold funds or securities of customers.

**11. Net Capital and Aggregate Indebtedness Requirements**

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires the Company to maintain minimum net capital of 6 2/3% of aggregate indebtedness and a ratio of aggregate indebtedness to net capital not exceeding fifteen to one.

At December 31, 2014, the Company had net capital of \$7,621,801 which was \$7,402,598 in excess of the minimum net capital requirement of \$219,203. The Company's ratio of aggregate indebtedness to net capital was .4314 to 1.0.

**Supplemental Information**  
**December 31, 2014**

**Atlantic-Pacific Capital, Inc.**  
**Unconsolidated Computation of Net Capital Pursuant to SEC Rule 15c3-1**  
**December 31, 2014**

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<b>Stockholder's equity</b>	<b>\$ 26,457,739</b>
Less: nonallowable assets	
Placement fees receivable	16,063,359
Due from affiliate	1,398,381
Investment in affiliates	761,750
Due from funds	256,509
Other assets	181,486
Property and equipment	<u>174,453</u>
<b>Total nonallowable assets</b>	<b><u>18,835,938</u></b>
Less: haircuts	<u>-</u>
<b>Net capital</b>	<b><u>\$ 7,621,801</u></b>
<b>Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)</b>	<b><u>\$ 219,203</u></b>
<b>Excess net capital</b>	<b><u>\$ 7,402,598</u></b>
<b>Excess net capital at 1000 percent</b>	<b><u>\$ 7,292,997</u></b>
<b>Aggregate indebtedness</b>	
Due to affiliate	\$ 1,021,729
Account payable & accrued expenses	632,969
Accrued defined benefit plan obligation	1,356,240
Deferred revenue	<u>277,098</u>
<b>Total aggregate indebtedness</b>	<b><u>\$ 3,288,036</u></b>
<b>Ratio: Aggregate indebtedness to net capital</b>	<b><u>.4314 to 1.0</u></b>

**Reconciliation of Net Capital and Unaudited Net Capital Pursuant to SEC Rule 17a-5(d)(4)**  
**December 31, 2014**

The net capital computation above does not differ from that filed by the Company on January 27, 2015 in its unaudited filing.

**Atlantic-Pacific Capital, Inc.**  
**Unconsolidated Computation for Determination of Reserve Requirements and**  
**Information Relating to Possession or Control Requirements Pursuant to SEC**  
**Rule 15c3-3**  
**December 31, 2014**

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The Company is exempt under Rule 15c3-3 (k)(2)(i).

**Atlantic-Pacific Capital, Inc.**  
**Reconciliation of Audited Consolidated Statement of**  
**Financial Condition to the Atlantic-Pacific Capital, Inc.**  
**Unconsolidated Statement of Financial Condition**  
**As of December 31, 2014**  
**(in U.S. dollars)**

	Audited Consolidated Statement of Financial Condition	Subsidiaries Excluded, Reclassifications, and Eliminations	Atlantic - Pacific Capital, Inc. Unconsolidated Statement of Financial Condition
<b>Assets</b>			
<b>Current assets</b>			
Cash	\$ 15,735,506	\$ (4,665,669)	\$ 11,069,837
Placement fees receivable, net	12,598,771		12,598,771
Due from affiliate	-	1,398,381	1,398,381
Due from funds	256,509	-	256,509
Other current assets	211,328	(79,892)	131,436
<b>Total current assets</b>	<b>28,802,114</b>	<b>(3,347,180)</b>	<b>25,454,934</b>
Placement fees receivable	3,464,588	-	3,464,588
Property and equipment, net	182,495	(8,041)	174,454
Other assets	65,962	(15,914)	50,048
Investment in affiliates		761,750	761,750
<b>Total assets</b>	<b>\$ 32,515,159</b>	<b>\$ (2,609,385)</b>	<b>\$ 29,905,774</b>
<b>Liabilities and stockholder's equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	\$ 1,700,216	\$ (1,067,248)	\$ 632,968
Due to affiliate	-	1,021,729	1,021,729
Deferred revenue	277,098	-	277,098
Deferred tax	160,000	-	160,000
<b>Total current liabilities</b>	<b>2,137,314</b>	<b>(45,519)</b>	<b>2,091,795</b>
<b>Long term liabilities</b>			
Accrued defined benefit plan obligation	1,356,240		1,356,240
<b>Total liabilities</b>	<b>3,493,554</b>	<b>(45,519)</b>	<b>3,448,035</b>
<b>Stockholder's equity</b>	<b>29,021,605</b>	<b>(2,563,866)</b>	<b>26,457,739</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$ 32,515,159</b>	<b>\$ (2,609,385)</b>	<b>\$ 29,905,774</b>

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## Report of Independent Registered Public Accounting Firm

To the Stockholder of  
Atlantic-Pacific Capital, Inc.  
Greenwich, Connecticut

We have reviewed management's statements, included in the accompanying Atlantic-Pacific Capital, Inc. Exemption Report, in which (1) Atlantic-Pacific Capital, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Atlantic-Pacific Capital, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) Atlantic-Pacific Capital, Inc. stated that Atlantic-Pacific Capital, Inc. met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2014 without exception. Atlantic-Pacific Capital, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Atlantic-Pacific Capital, Inc.'s compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Reynolds & Rowella, LLP

New Canaan, Connecticut  
February 23, 2015



**Atlantic-Pacific Capital Inc. Exemption Report**

February 5, 2015

**SEC Rule 15c3-3**

The Company is a registered broker-dealer subject to rule 17a-5 of the Securities and Exchange Commission (SEC). The Company raises capital from institutional investors and accredited investors for interests in private equity limited partnerships (the "Funds") that are not registered or publicly traded. The Company earns a fee based on a percentage of capital invested or committed to be invested in such Funds. The Company does not carry or maintain customer accounts; hold or handle customer funds or securities; accept customer trading orders; or engage in proprietary trading or market-making. To the best of its knowledge and belief, the Company states the following: the Company claims exemption from SEC rule 15c3-3 under the provision of paragraph (k)(2)(i), the Company has met the identified exemption provision through the most recent fiscal year ended December 31, 2014 without exception.

A handwritten signature in black ink that reads "Anthony Bossone". The signature is written in a cursive style.

Anthony Bossone  
Chief Financial Officer  
Atlantic-Pacific Capital, Inc.

**Atlantic-Pacific Capital, Inc.  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures Related  
to an Entity's Securities Investor Protection  
Corporation General Assessment  
Reconciliation  
December 31, 2014**

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## **Independent Accountant's Report on Applying Agreed-Upon Procedures Related to an Entity's SIPC General Assessment Reconciliation**

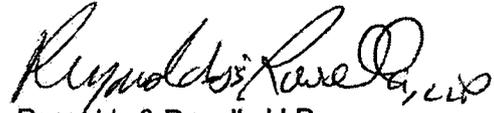
To the Stockholder of  
Atlantic-Pacific Capital, Inc.  
Greenwich, Connecticut

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by Atlantic-Pacific Capital, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC (collectively, the "Specified Parties"), solely to assist you and the other Specified Parties in evaluating Atlantic-Pacific Capital, Inc.'s compliance with the applicable instructions of Form SIPC-7. Atlantic-Pacific Capital, Inc.'s management is responsible for the compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries included in Atlantic-Pacific Capital, Inc.'s general ledger, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2014, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, included in Atlantic-Pacific Capital, Inc.'s general ledger and revenue schedule, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers which includes Atlantic-Pacific Capital, Inc.'s general ledger and revenue schedule, supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Specified Parties listed above and is not intended to be and should not be used by anyone other than these Specified Parties.

  
Reynolds & Rowella LLP

New Canaan, Connecticut  
February 23, 2015



**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2014  
and ending 12/31/2014

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 46,560,927

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

REGULATIONS D PRIVATE PLACEMENTS - DOCUMENTATION  
(Deductions in excess of \$100,000 require documentation) PREVIOUSLY SENT

46,560,927

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

46,560,927

2d. SIPC Net Operating Revenues

\$ 0

2e. General Assessment @ .0025

\$ 0

(to page 1, line 2.A.)