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

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

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Washington DC  
404

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Capital Hill Group, Inc.**

OFFICIAL USE ONLY
FIRM ID. NO.

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

5 Tudor City Place, Apt 1315  
(No. and Street)  
New York New York 10017  
(City) (State) (Zip Code)

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

Gary Spiner (212) 681-8571  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

PMB Helin Donovan, LLP  
(Name - if individual, state last, first, middle name)

5918 W. Courtyard Drive, Suite 500 Austin Texas 78730  
(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).

SEC 1410 (06-02)

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OATH OR AFFIRMATION

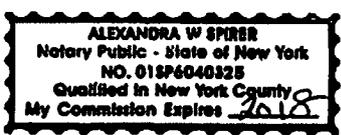
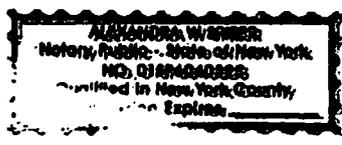
I, Gary Spirer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Capital Hill Group, Inc., as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Gary Spirer signature

President Title

Alexandra W Spirer Notary Public



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

- (a) Facing page.
(b) Statement of Financial Condition.
(c) Statement of Operations.
(d) Statement of Cash Flows.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(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).



# Capital Hill Group, Inc.

Financial Statements and Supplemental Schedule  
(With Report of Independent Registered Public  
Accounting Firm Thereon)



December 31, 2014



**PMB Helin Donovan**  
CERTIFIED PUBLIC ACCOUNTANTS



**Capital Hill Group, Inc.**  
Index to Financial Statements and Supplemental Schedule  
December 31, 2014

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors of  
Capital Hill Group, Inc.

We have audited the accompanying statement of financial condition of Capital Hill Group, Inc. (the "Company") as of December 31, 2014, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 financial statements are 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 statements, 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 statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

The Computation of Net Capital and Aggregate Indebtedness Pursuant to Rule 15c3-1 of the Securities and Exchange Commission as required under Rule 17a-5(e)(4)(i) of the Securities and Exchange Commission (collectively the "Supplemental Schedule") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Schedule is the responsibility of the Company's management. Our audit procedures included determining whether the Supplemental Schedule reconciles to the 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 Supplemental Schedule. In forming our opinion on the Supplemental Schedule, we evaluated whether they, including their form and content, are presented in conformity with Rule 15c3-1 of the Securities and Exchange Commission. In our opinion, the Supplemental Schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

***PMB Helin Donovan, LLP***

*PMB Helin Donovan, LLP*

Austin, Texas  
February 24, 2015

**CAPITAL HILL GROUP, INC.**  
Statement of Financial Condition  
December 31, 2014

Assets:	
Cash and cash equivalents	\$ 9,006
Due from affiliate	227,168
Total assets	<u>\$ 236,174</u>
Liabilities and Stockholder's Equity	
Liabilities:	
Accounts payable and accrued expenses	\$ -
Total liabilities	<u>-</u>
Stockholder's equity:	
Common stock, 100 shares authorized with \$10.00 par value, 100 issued and outstanding	1,000
Additional paid-in capital	278,976
Accumulated deficit	<u>(43,802)</u>
Total stockholder's equity	<u>236,174</u>
Total liabilities and stockholder's equity	<u>\$ 236,174</u>

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

**CAPITAL HILL GROUP, INC.**  
Statement of Operations  
For the Year Ended December 31, 2014

Interest income	\$ <u>3</u>
Operating expenses:	
Professional fees	2,600
Regulatory fees	1,466
Bank charges	135
Total operating expenses	<u>4,201</u>
Net loss	\$ <u><u>(4,198)</u></u>

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

**CAPITAL HILL GROUP, INC.**  
Statement of Changes in Stockholder's Equity  
For the Year Ended December 31, 2014

	<u>Shares</u>	<u>Capital Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at December 31, 2013	100	\$ 1,000	\$ 278,976	\$ (39,604)	\$ 240,372
Net loss	-	-	-	(4,198)	(4,198)
Balance at December 31, 2014	<u>100</u>	<u>\$ 1,000</u>	<u>\$ 278,976</u>	<u>\$ (43,802)</u>	<u>\$ 236,174</u>

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

**CAPITAL HILL GROUP, INC.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

Cash flows from operating activities:	
Net loss	\$ (4,198)
Adjustments to reconcile net loss to net cash used in operating activities:	
Change in assets and liabilities:	-
Net cash used in operating activities	<u>(4,198)</u>
 Net decrease in cash	 (4,198)
 Cash and cash equivalents at beginning of year	 <u>13,204</u>
Cash and cash equivalents at end of year	<u>\$ 9,006</u>
 Supplemental disclosures of cash flow information:	
Income taxes paid	\$ <u>-</u>
Interest paid	\$ <u>-</u>

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

**CAPITAL HILL GROUP, INC.**  
Notes to the Financial Statements  
December 31, 2014

**Note 1 - Nature of Business**

Capital Hill Group, Inc. (the “Company”) is a broker-dealer in securities registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company operates under the provisions of Paragraph K(2)(ii) of Rule 15c3-3 of the SEC, and accordingly is exempt from the remaining provisions of that Rule. The Company is a limited purpose broker dealer and is primarily engaged in the business of executing transactions relating to underwritings, real estate, oil and gas syndications, limited partnership offerings and other fee based investment advisory services. No transactions were entered into during the year ended December 31, 2014.

**Note 2 - Significant Accounting Policies**

***Basis of Accounting***

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles whereby revenues are recognized in the period earned and expenses when incurred.

***Cash and Cash equivalents***

For purposes of the statements of cash flows, the Company considers short-term investments, which may be withdrawn at any time without penalty, and restricted cash, which will become available within one year from the date of the financial statements, to be cash equivalents.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Financial instruments and credit risk***

Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents and accrued expenses. The Company did not have cash balances in excess of federally insured limits as of December 31, 2014.

***Fair Value Measurements***

The fair value of the Company’s financial instruments reflects the amounts that the Company estimates to receive in connection with the sale of an asset or paid in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value hierarchy that prioritizes the use of inputs used in valuation techniques is as follows:

Level 1 – quoted prices in active markets for identical assets and liabilities;

Level 2 – observable inputs other than quoted prices in active markets, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data;

Level 3 – unobservable inputs reflecting management’s assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

**CAPITAL HILL GROUP, INC.**  
Notes to the Financial Statements  
December 31, 2014

**Note 2 - Significant Accounting Policies (continued)**

The carrying amounts of the Company's financial instruments, which include cash and cash equivalents other assets, accounts payable and accrued expenses, approximate their fair values due to their short maturities.

***Income Taxes***

The Company, with the consent of its shareholder, has elected to be an S corporation and has elected to treat the Company as a qualified subchapter S subsidiary under the Internal Revenue Code and similar state law. Instead of paying corporate income taxes, the stockholder is taxed individually on the Company's taxable income. Therefore, no provision or liabilities for federal income taxes has been made. The Company is liable in three state jurisdictions for either income or franchise taxes.

The Company uses a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Company does not have any significant uncertain tax positions.

***Management Review***

The Company has evaluated subsequent events through February 24, 2015, the date the financial statements were available to be issued.

***Recent Accounting Pronouncements***

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board ("FASB") or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

**Note 3 - Related Party Transactions**

The due from affiliate amount of \$227,168 represents amounts owed to the Company by G.S. Equities, Inc., a corporation wholly owned by the shareholder of the Company.

**Note 4 - Net Capital Requirements**

The Company is subject to the SEC uniform net capital rule ("Rule 15c3-1"), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2014, the Company had net capital and net capital requirements of \$9,006 and \$5,000, respectively. The Company's aggregate indebtedness to net capital ratio was 0 to 1.

The Company is exempt from the customer protection provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.

**CAPITAL HILL GROUP, INC.**  
 Computation of Net Capital and Aggregate Indebtedness  
 Pursuant to Rule 15c3-1 of the Securities and Exchange Commission  
 For the Year Ended December 31, 2014

Total stockholder's equity qualified for net capital	\$ 236,174
Deductions and/or charges	
Non-allowable assets:	
Due from affiliate	227,168
Total deductions and/or charges	<u>227,168</u>
Net capital before haircuts on securities	9,006
Haircuts on securities	<u>-</u>
Net capital	<u><u>\$ 9,006</u></u>
Aggregate indebtedness	
Accounts payable and accrued expenses	\$ <u>-</u>
Total aggregate indebtedness	<u><u>\$ -</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	\$ <u>5,000</u>
Net capital in excess of minimum requirement	<u><u>\$ 4,006</u></u>
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital required	<u><u>\$ 3,006</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>0 to 1</u></u>

Note: The above computation does not differ from the computation of net capital under Rule 15c3-1 as of December 31, 2014 as reported by Capital Hill Group, Inc. on Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

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



# PMB Helin Donovan

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S REVIEW REGARDING THE EXEMPTIVE PROVISIONS OF RULE 15c3-3

To the Board of Directors of  
Capital Hill Group, Inc.:

We have reviewed management's statements, included in the accompanying Capital Hill Group, Inc. Exemption Report, in which (1) Capital Hill Group, Inc. (the "Company") identified the following provisions of 17 C.F.R. § 15c 3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) management stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company'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 the Company's compliance with the exemption provisions. 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.

*PMB Helin Donovan, LLP*

*PMB Helin Donovan, LLP*

Austin, Texas  
February 24, 2015

# Capital Hill Group, Inc

5 Tudor City Place, Suite 1315, New York, NY 10017 (914) 610-0961 (p) (646) 349-5815 (f)

## Exemption Report

Capital Hill Group, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R §240.17a-5, "Reports by 17 C.F.R § 240.17a-5(d)(1) and (4). To best of its knowledge and belief, the Company states the following:

(1) The Company may file an Exemption Report because the Company had no obligations under 17 C.F.R § 240.15c3-3

(2) The Company met the identified exemption provisions in 17 C.F.R § 240.15c3-3 (k)(2)(i) throughout the most recent fiscal year without exemption.

Capital Hill Group, Inc.

Name of Company

I, Gary Spiner, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Gary Spiner  
Title: PRESIDENT