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

SEC

Mail Processing  
Section

MAR 02 2015

Washington DC  
404

SEC FILE NUMBER

8-67683

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Covert & Co., LLC**

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

233 Wilshire Blvd, Suite 525

(No. and Street)

Santa Monica, CA 90401

(City)

(State)

(Zip Code)

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

Kevin Covert

(310) 736-6421

(Area Code-Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

WILLIAM BATDORF & COMPANY, P.C.

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

1776 K STREET, NW, SUITE 840, WASHINGTON, DC 20006

(Address)

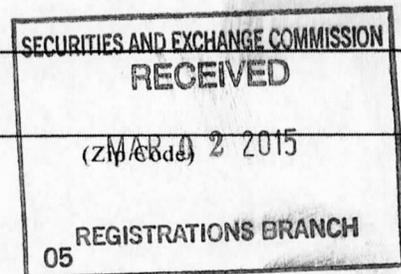
(City)

(State)

(Zip Code) 2015

**CHECK ONE:**

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



FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)2.

Sec. 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

3/13/15

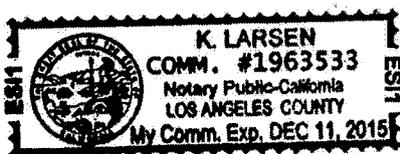
## OATH OR AFFIRMATION

I, Kevin Covert, swear (or affirm) that, to the best of my knowledge and belief that the accompanying financial statements and supporting schedules pertaining to the firm of Covert & Co., 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 customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



[Signature]  
Signature  
CEO

Title

[Signature]

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 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.
- (o) Exemption Report.

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

**COVERT & CO., LLC**

**STATEMENT OF FINANCIAL CONDITION AND  
INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2014**

**COVERT & CO., LLC  
STATEMENT OF FINANCIAL CONDITION  
AND INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2014**

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**WILLIAM BATDORF & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
1776 K STREET, N.W., SUITE 840  
WASHINGTON, DC 20006  
TELEPHONE: (202) 331-1040

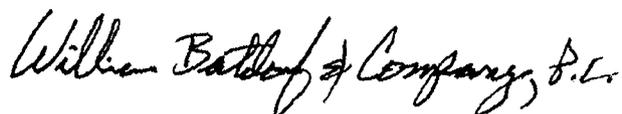
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Covert & Co., LLC

We have audited the accompanying statement of financial condition of Covert & Co., LLC (a Virginia corporation) as of December 31, 2014, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition. Covert & Co., LLC's management is responsible for this financial statement. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

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

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial condition of Covert & Co., LLC as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.



Washington, DC  
February 28, 2015

**COVERT & CO., LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

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**ASSETS**

Cash and cash equivalents	\$ 196,707
Accounts Receivable	4,171
Payroll Tax Refund Receivable	803
Prepaid expenses	4,461
Property and equipment	109,683
Intangible Assets - Broker License	25,000
Intangible Assets - Start Up Costs	10,129
	<hr/>
Total Assets	<u><u>\$ 350,954</u></u>

**LIABILITIES AND MEMBERS' EQUITY**

**LIABILITIES**

Accounts payable and other accrued liabilities	1,390
State Tax Payable	900
	<hr/>
Total Liabilities	<u>2,290</u>

**STOCKHOLDERS' EQUITY**

Members Equity	287,794
Contributions	329,838
Retained Earnings	<u>(268,968)</u>
Total Stockholders' Equity	<u>348,664</u>
	<hr/>
Total Liabilities and Stockholders' Equity	<u><u>\$ 350,954</u></u>

**COVERT & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS**

Covert & Co, LLC (the Company) was formed as a California limited liability company on March 25, 2013. The company purchased Gould Capital, LLC, a Virginia limited liability company on March 25, 2013. The Company is registered as a broker-dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA). The Company acts as a corporate strategic advisor to both buyers and seller of companies, predominantly in the financial services sector. Due to the limited volume of deals in any given year, the Company has significant concentrations of revenue with one or two customers.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates** - The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

**Cash and Cash Equivalents** - The Company has defined cash and cash equivalents as highly liquid investments, with original maturities of less than 90 days, that are not held for sale in the ordinary course of business.

**Furniture, Fixtures, and Equipment** - Furniture, fixtures, and equipment are comprised of computer, office equipment and furniture, and are depreciated over the estimated useful lives on a straight-line basis.

**Revenue Recognition** – Revenues from investment banking services are recorded when earned. The company recognizes revenue as earned only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectability of the related fee is reasonably assured. Earned but paid revenue is accounted for as accounts receivable or accrued revenue until such time cash payments are received.

**Advertising** – The Company expenses advertising costs as incurred.

**Income Taxes** - The Company is a single-member limited liability company for federal, state, and local corporate income tax purposes and, accordingly, was not subject to federal, state, and local corporate income taxes.

The Company complies with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and

**COVERT & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**Income Taxes –Continued**

liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as tax benefit or expense in the current year.

In general, the prior three years tax returns filed with various taxing agencies are open to examination.

**NOTE 3 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Uniform Net Capital requirements of the Securities and Exchange Commission under 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 \$196,065 which was \$191,065 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was .001 to 1 at year end.

**NOTE 4 – OTHER REGULATORY REQUIREMENTS**

The Company is exempt from the customer reserve requirements of the Securities and Exchange Commission Rule 15c3-3 under Section (k)(2)(i).

**NOTE 5 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 28, 2015, the date on which the financial statements were available to be issued. No events have occurred since the balance sheet date that would have material impact on the financial statements.

**WILLIAM BATDORF & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
1776 K STREET, N.W., SUITE 840  
WASHINGTON, DC 20006  
TELEPHONE: (202) 331-1040

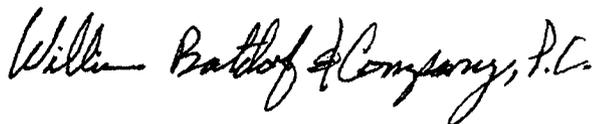
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member  
of Covert & Co., LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Covert & Co., LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Covert & Co., LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) Covert & Co., LLC stated that Covert & Co., LLC met the identified exemption provisions throughout the period June 1, 2014 through December 31, 2014 without exception. Covert & Co., LLC'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 Covert & Co., LLC'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.



Washington, DC  
February 28, 2015

EXEMPTION REPORT

December 31, 2014

To the best of our knowledge and belief, Covert & Co., LLC is exempt from the provisions of Rule 15c3-3 because it meets the conditions set forth in paragraph (k) of Rule 15c3-3 pursuant to subparagraph 15c3-3(k)(2)(i). The Company met the exemption provision in paragraph (k)(2)(i) of Rule 15c3-3 from the period June 1, 2014 through December 31, 2014 without exception.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin Covert", written over a horizontal line.

Kevin Covert  
CEO

Covert & Co.  
233 Wilshire Blvd., Suite 525  
Santa Monica, CA 90401

**WILLIAM BATDORF & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

1776 K STREET, N.W., SUITE 840

WASHINGTON, DC 20006

TELEPHONE: (202) 331-1040

**INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT  
ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

Member of  
Covert & Co., LLC

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 Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by Covert & Co., LLC, and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Covert & Co., LLC's compliance with the applicable instructions of Form SIPC-7. Covert & Co., LLC's management is responsible for Covert & Co., LLC's 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, 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, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences (if applicable).

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.

*William Batdorf & Company, P.C.*

Washington, DC  
February 28, 2015

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended December 31, 20 14  
(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

8-67683 FINRA DEC  
Covert & Co., LLC  
233 Wilshire Blvd. Suite 525  
Santa Monica, CA 90401

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Robert Campbell 973-727-7379

2. A. General Assessment (item 2e from page 2)	\$	<u>937</u>
B. Less payment made with SIPC-6 filed (exclude interest)	(	<u>396</u> )
<u>July 25, 2014</u>		
Date Paid		
C. Less prior overpayment applied	(	<u>          </u> )
D. Assessment balance due or (overpayment)		<u>0</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum		<u>          </u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$	<u>541</u>
G. PAID WITH THIS FORM:		
Check enclosed, payable to SIPC		
Total (must be same as F above)	\$	<u>541</u>
H. Overpayment carried forward	\$(	<u>          </u> )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):  
\_\_\_\_\_  
\_\_\_\_\_

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Covert & Co. LLC  
(Name of Corporation, Partnership or other organization)  
*Robert Campbell*  
(Authorized Signature)  
FINOP  
(Title)

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

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

Amounts for the fiscal period  
beginning January 1, 2014  
and ending December 31, 2014  
Eliminate cents

<b>Item No.</b>		
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)		\$ <u>383,505</u>
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		<u>0</u>
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):		_____
Reimbursed Expenses form related entity		<u>8,502</u>
(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)		<u>0</u>
Total deductions		<u>8,502</u>
2d. SIPC Net Operating Revenues		\$ <u>375,003</u>
2e. General Assessment @ .0025		\$ <u>937</u>

(to page 1, line 2.A.)