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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**

SEC FILE NUMBER  
8- 16566

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: A.R. Schmeidler & Co., Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

500 Fifth Avenue

(No. and Street)

New York,

New York

10110

(City)

(State)

(Zip Code)

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

Peter G. Kandel, Jr.

(212) 687-9800

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Crowe Horwath LLP

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

488 Madison Avenue, 3rd Floor, New York, NY 10022

(Address)

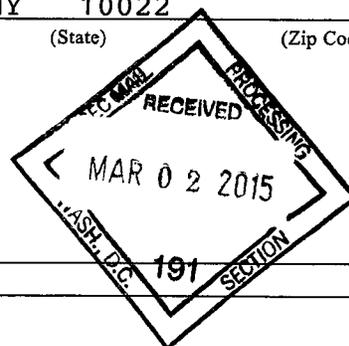
(City)

(State)

(Zip Code)

**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)

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OATH OR AFFIRMATION

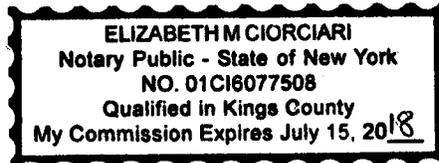
I, Peter G. Kandel, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of A.R. Schmeidler & Co., Inc., as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company 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:

STATE OF NEW YORK  
COUNTY OF NEW YORK

*Peter G. Kandel, Jr.*  
Signature

CFO and FinOp  
Title

*Elizabeth M Ciorciari 02/27/15*  
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).

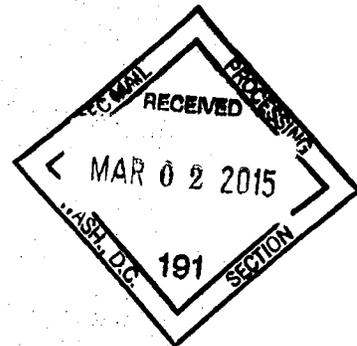
*[Faint, illegible handwritten notes or scribbles]*

A.R. Schmeidler & Co., Inc.  
(SEC I.D. No. 8-16566)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
AS OF DECEMBER 31, 2014 AND 2013  
AND  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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This report is filed pursuant to  
Rule 17a-5(e)(3) under the Securities Exchange  
Act of 1934, as a Public Document



A.R. SCHMEIDLER & CO., INC.  
New York, New York

CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2014 and 2013

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Crowe Horwath LLP  
Independent Member Crowe Horwath International

Report of Independent Registered Public Accounting Firm

A.R. Schmeidler & Co., Inc.  
New York, New York

We have audited the accompanying consolidated statements of financial condition of A.R. Schmeidler & Co., Inc. as of December 31, 2014 and 2013. These financial statements are the responsibility of A.R. Schmeidler & Co., Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of A.R. Schmeidler & Co., Inc. as of December 31, 2014 and 2013, in conformity with accounting principles generally accepted in the United States of America.

*Crowe Horwath LLP*  
Crowe Horwath LLP

New York, New York  
February 27, 2015

A.R. SCHMEIDLER & CO., INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash	\$ 18,531,187	\$ 15,661,260
Receivable from broker	1,256	39,307
Deposit with clearing brokers	100,000	100,000
Advisory fees receivable	398,979	80,017
Securities owned at fair value	457,728	421,714
Property and equipment, at cost, net of accumulated depreciation \$831,735 and \$800,638	35,916	65,927
Leasehold improvements, at cost, net of accumulated amortization \$1,030,467 and \$891,619	326,020	460,949
Goodwill	3,773,262	3,773,262
Other intangible	522,500	712,500
Deferred tax asset (net of deferred tax payable)	2,929,635	4,215,366
Other assets	<u>203,993</u>	<u>785,410</u>
Total assets	<u>\$ 27,280,476</u>	<u>\$ 26,315,712</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 735,740	\$ 776,433
Stockholder's equity		
Common stock, \$0.01 par value – authorized 100,000 shares; issued and outstanding, 20,000 shares	200	200
Additional paid-in-capital	25,602,101	25,602,101
Retained earnings (accumulated deficit)	<u>942,435</u>	<u>(63,022)</u>
Total stockholder's equity	<u>26,544,736</u>	<u>25,539,279</u>
Total liabilities and stockholder's equity	<u>\$ 27,280,476</u>	<u>\$ 26,315,712</u>

See notes to accompanying consolidated financial statements.

## NOTE 1 – ORGANIZATION & NATURE OF BUSINESS

A. R. Schmeidler & Co., Inc. (the “Company”) was incorporated in New York State in 1971 and is a broker-dealer registered with the U.S. Securities and Exchange Commission. Its principal source of income is derived from investment advisory fees. Upon the close of business on January 22, 2015, in accordance with the Stock Purchase Agreement dated November 14, 2014 by and among Artemis US IV LLC, a Delaware limited liability company (“Artemis”), Hudson Valley Bank, N.A. a national banking association (“HVB”) and the Company, a wholly-owned subsidiary of HVB, Artemis purchased all of the outstanding common stock of the Company from HVB.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Company in the preparation of its financial statements:

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, ARS Advisors LLC, a New York limited liability company. All intercompany accounts and transactions have been eliminated.

Use of Estimates: The preparation of the statement of financial condition in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the statement of financial condition. Actual results could differ from those amounts.

Securities Transactions: The Company records all of its transactions on an accrual basis for reporting purposes; security purchases and sales are reported as of the trade date.

Security Valuation: Marketable securities primarily consist of investments in mutual funds and are valued at fair value based upon the quoted market price for each security.

Goodwill and Other Intangible Assets: Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are tested for impairment at least annually. The Company has selected December 31 as the date to perform the annual impairment test. Goodwill is the only intangible asset with an indefinite life on the statement of financial condition.

Income Taxes: The Company is included in the consolidated federal return of its Parent. For financial reporting purposes, the Company settles its federal income tax accounts in accordance with an informal tax sharing agreement with the Parent. The Company files separate New York State and City tax returns.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Legal fees associated with loss contingencies are included in loss contingency accruals.

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A.R. SCHMEIDLER & CO., INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2014 and 2013

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**NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant, unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of the Company's valuation methodologies used to measure and disclose the fair values of its financial assets and liabilities on a recurring or nonrecurring basis:

Securities Owned at Fair Value

Securities owned consist of investments in mutual funds and the fair values are determined by quoted market prices on national exchanges (Level 1).

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements At December 31, Using		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2014</u>			
Assets:			
Securities owned – Mutual funds	\$ 457,728	\$ -	\$ -
<u>2013</u>			
Assets:			
Securities owned – Mutual funds	\$ 421,714	\$ -	\$ -

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(Continued)

A.R. SCHMEIDLER & CO., INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2014 and 2013

**NOTE 4 – FIXED ASSETS**

The major classes of fixed assets are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation &amp; Amortization</u>	<u>Net of Accumulated Depreciation &amp; Amortization</u>
<u>2014</u>			
Leasehold improvements	\$ 1,356,487	\$ 1,030,467	\$ 326,020
Furniture and equipment	650,056	614,140	35,916
Computer software	<u>217,595</u>	<u>217,595</u>	<u>-</u>
Total fixed assets	<u>\$ 2,224,138</u>	<u>\$ 1,862,202</u>	<u>\$ 361,936</u>
<u>2013</u>			
Leasehold improvements	\$ 1,352,568	\$ 891,619	\$ 460,949
Furniture and equipment	648,970	583,043	65,927
Computer software	<u>217,595</u>	<u>217,595</u>	<u>-</u>
Total fixed assets	<u>\$ 2,219,133</u>	<u>\$ 1,692,257</u>	<u>\$ 526,876</u>

**NOTE 5 – GOODWILL AND OTHER INTANGIBLES**

The change in goodwill during the year is as follows:

	<u>2014</u>	<u>2013</u>
Beginning of the year	\$ 3,773,262	\$ 22,473,262
Impairment losses	<u>-</u>	<u>(18,700,000)</u>
End of the year	<u>\$ 3,773,262</u>	<u>\$ 3,773,262</u>

(Continued)

A.R. SCHMEIDLER & CO., INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2014 and 2013

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**NOTE 5 – GOODWILL AND OTHER INTANGIBLES (Continued)**

The components of intangible assets are as follows as of December 31:

	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
<u>2014</u>			
Customer list	\$ <u>2,986,000</u>	\$ <u>2,463,500</u>	\$ <u>522,500</u>
<u>2013</u>			
Customer list	\$ <u>2,986,000</u>	\$ <u>2,273,500</u>	\$ <u>712,500</u>

**NOTE 6 – INCOME TAXES**

Year-end deferred tax assets and liabilities are due to the following:

	<u>2014</u>	<u>2013</u>
Deferred tax assets	\$ 2,929,635	\$ 4,251,035
Deferred tax liabilities	<u>-</u>	<u>(35,669)</u>
Net deferred tax asset (liability)	<u>\$ 2,929,635</u>	<u>\$ 4,215,366</u>

Deferred tax assets and liabilities relate primarily to tax-deductible goodwill, the amortization of identified intangibles and lease payments.

There was no interest or penalties recorded in the statements of income for the years ended December 31, 2014 and 2013.

The Company is subject to U.S. federal, New York State and New York City income tax. The Company is no longer subject to examination by taxing authorities for years before 2011.

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A.R. SCHMEIDLER & CO., INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2014 and 2013

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**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

Lease Commitments

The Company leases its main office under an operating lease.

Future minimum rental commitments on a cash basis are payable for the years ended December 31, as follows:

2015	\$	680,663
2016		697,624
2017		296,075
Thereafter		-

The minimum lease payments are subject to escalation payments. The tenant's minimum lease payments may be increased for the tenant's proportional share of tax increases against the land or building. The Company has a security deposit in the amount of \$125,000 for the leased office space.

**NOTE 8 – CUSTOMER MANAGEMENT**

The Company does not retain customer's cash and securities. All customer transactions are cleared through another broker-dealer on a fully disclosed basis. However, if customers' checks or securities are received, the Company's personnel immediately deliver these checks and securities to the clearing broker. In the normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The Company also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including sub-custodians and third-party brokers, improperly executed transactions. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the consolidated financial statements for these indemnifications.

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A.R. SCHMEIDLER & CO., INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
December 31, 2014 and 2013

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**NOTE 9 – CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various investment securities transactions with counterparties which are primarily broker-dealers and banks. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

As of December 31, 2014 and 2013, the Company had concentrations of credit risk with depository institutions in the form of bank accounts and clearing deposits. Amounts due from depository institutions at year end were as follows:

	<u>2014</u>	<u>2013</u>
Due from Depository Institutions:		
Hudson Valley Bank (HVB)	\$ 10,371,856	\$ 9,013,435
JP Morgan Chase Bank, N.A.	8,159,081	6,647,575
Pershing LLC	100,000	100,000

**NOTE 10 – RELATED PARTY TRANSACTIONS**

As of December 31, 2014 the Company had outstanding payables of \$141,031 to HVB. As of December 31, 2013 the Company had outstanding payables of \$22,000 to HVB.

**NOTE 11 – SUBSEQUENT EVENTS**

On January 22, 2015, HVB announced the completed sale of the Company, to Artemis. In accordance with the Stock Purchase Agreement dated November 14, 2014 by and among Artemis, HVB and the Company, Artemis purchased all of the outstanding common stock of the Company from HVB with cash, subject to post-closing adjustments. On January 26, 2015, the Company distributed \$17,415,680 in cash to HVB representing a proportional amount of dividends and return of capital.

**NOTE 12 – NET CAPITAL REQUIREMENT**

Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain minimum "net capital" amount, as defined under such rule.

As of December 31, 2014 and 2013, the Company's net capital was computed to be \$8,614,201 and \$6,888,060, exceeding its minimum requirements of \$100,000 and \$100,000 by \$8,514,201 and \$6,788,060. The ratio of aggregate indebtedness to the net capital was 0.07 to 1 and 0.11 to 1 at December 31, 2014 and 2013.

The Company is exempt from the provisions of Securities Exchange Act Rule 15c3-3 relating to the maintenance of customer reserve accounts and possession or control of customer securities pursuant to paragraph (k)(2)(ii), since the Company does not hold funds or securities of customers.