



S

17005009

SION

*alb gen*

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2017
Estimated average burden hours per response . . .12.00

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

**SEC**  
Mail Processing  
Section

SEC FILE NUMBER
<b>8- 51642</b>

*FEB 27 2017*

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 1/1/2016 AND ENDING 12/31/2016  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:  
Emerging Growth Equities, Ltd.

OFFICIAL USE ONLY

FIRM ID. NO.

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

1150 First Avenue

(No. and Street)

King of Prussia

(City)

PA

(State)

19406-2816

(Zip Code)

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

Gregory J. Berlacher

610-783-1800

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Sanville & Company

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

1514 Old York Road

(Address)

Abington

(City)

PA

(State)

19001

(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)

*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.*

*L.L.*

OATH OR AFFIRMATION

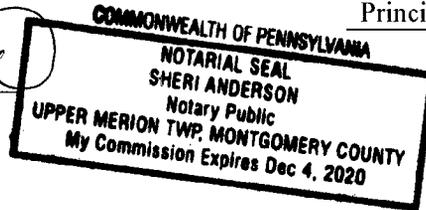
I, Gregory J. Berlacher, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Emerging Growth Equities, Ltd., as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the company 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:

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

*Gregory J. Berlacher*  
Signature

Principal Executive Officer  
Title

*Sheri Anderson*  
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.
- N/A  (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  (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).

# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA

1514 OLD YORK ROAD ABINGTON, PA 19001  
(215) 884-8460 • (215) 884-8686 FAX

---

MEMBERS OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
PENNSYLVANIA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

17 BATTERY PLACE, 11<sup>th</sup> FLOOR  
NEW YORK, NY 10004  
(212) 709-9512

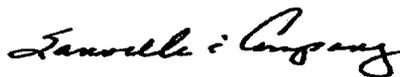
## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Emerging Growth Equities, Ltd.

We have audited the accompanying statement of financial condition of Emerging Growth Equities, Ltd. (the "Company") as of December 31, 2016. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall statement of financial position presentation. 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 position of Emerging Growth Equities, Ltd. as of December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.



Abington, Pennsylvania  
February 22, 2017

**Emerging Growth Equities, Ltd.**  
**Statement of Financial Condition**  
**December 31, 2016**

---

**Assets**

Cash and cash equivalents	\$	104,014
Furniture and equipment, net		9,367
Prepaid expenses, deposits and other assets		<u>31,948</u>
Total assets	\$	<u><u>145,329</u></u>

**Liabilities and Partners' Capital**

**Liabilities**

Accounts payable and accrued expenses	\$	76,581
Due to affiliate		<u>15,000</u>
Total liabilities		<u>91,581</u>
Partners' capital		<u>53,748</u>
Total liabilities and partners' capital	\$	<u><u>145,329</u></u>

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

# Emerging Growth Equities, Ltd.

## Notes to Financial Statements

December 31, 2016

---

### 1. Organization

Emerging Growth Equities, Ltd. ("the Company") is a registered broker dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). It is a Pennsylvania limited partnership that is a wholly owned subsidiary of EGE Holdings, Ltd., a Pennsylvania limited partnership. The Company, like other broker dealers, is directly affected by general economic and market conditions, including fluctuations in volume and price level of securities, changes in interest rates and securities brokerage services, all of which have an impact on the Company's liquidity.

### 2. Summary of Significant Accounting Policies

*The following are the significant accounting policies followed by the Company in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP").*

*Revenue* – Securities transactions (and related commission revenue and expense, if applicable) are recorded on a trade date basis.

*Investment banking* – Investment banking revenues include gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking revenues also include fees earned from providing merger-and-acquisition and financial restructure advisory services. Investment banking management fees are recorded on offering date, sales concessions on settlement date, which is not materially different than trade date, and underwriting fees at the time the underwriting is completed and the income is reasonably determined.

*Concentration of credit risks* – The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk related to cash.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties 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.

*Depreciation* – Fixed asset purchases are classified as three or seven-year property for depreciation purposes. They are depreciated under accelerated methods.

*Cash and cash equivalents* – The Company includes as cash and cash equivalents amounts invested in money market mutual funds.

*Income taxes* – No provision has been made for income taxes since the Company has elected to be taxed as a partnership and is not taxed at the entity level.

The Company recognizes and discloses uncertain tax positions in accordance with accounting principles generally accepted in the United States of America (GAAP). As of, and during the year ended, December 31, 2016, the Company did not have liability for unrecognized tax benefits. The Company is no longer subject to examination by federal and state taxing authorities for tax periods prior to 2013.

**Emerging Growth Equities, Ltd.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2016**

---

**2. Summary of Significant Accounting Policies (Continued)**

*Allocation of income, loss and cash distributions* – Allocation of net income, loss and cash distributions are allocated 99.5% to EGE Holdings, Ltd. and 0.5% to EGE Special Purpose Corporation, the general partner which is owned by EGE Holdings, Ltd.

*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 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 may differ from those estimates and assumptions.

*Subsequent events*- Management has evaluated subsequent events through February 22, 2017, the date at which the financial statements were available to be issued and has determined that there were no subsequent events requiring recognition or disclosure in these financial statements.

**3. Operating Leases**

The Company leases certain equipment under non-cancellable leases that expire in 2016. Equipment lease expense for the year ended December 31, 2016 totaled \$3,427. Future minimum lease payments under operating leases are as follows:

<u>Year</u>	<u>Equipment</u>
2017	\$2,040
2018	\$1,434

**4. Furniture and Equipment**

Furniture and equipment is summarized as follows:

Furniture and equipment	\$ 15,331
Less accumulated depreciation	<u>(5,964)</u>
	\$ <u>9,367</u>

Depreciation expense totaled \$5,964 for the year ended December 31, 2016.

**5. Computation for Determination of Reserve Requirements**

The Company will operate in accordance with the exemptive provisions of paragraph (k)(2)(i) of SEC Rule 15c3-3. Customer accounts were not maintained in 2016.

**Emerging Growth Equities, Ltd.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2016**

---

**6. Net Capital Requirements**

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule 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, 2016, the Company had net capital of \$12,433 which was \$6,328 in excess of its required net capital of \$6,105. The Company's net capital ratio was 7.37 to 1.

SEC  
Mail Processing  
Section

FEB 27 2017

Washington DC  
416

**Emerging Growth Equities, Ltd.**  
**Statement of Financial Condition**  
**December 31, 2016**

**Emerging Growth Equities, Ltd.**

**TABLE OF CONTENTS**

**December 31, 2016**

---

<b>ANNUAL AUDITED FOCUS REPORT FACING PAGE</b> .....	<b>1-2</b>
--	------------

---

<b>INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT</b> .....	<b>3</b>
--	----------

---

**FINANCIAL STATEMENTS**

Statement of Financial Condition .....	4
--	---

Notes to Financial Statements .....	5-7
-------------------------------------	-----

---