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SEC  
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ANNUAL AUDITED REPORT  
 FORM X-17A-5  
 PART III \*  
 FACING PAGE

SEC FILE NUMBER
8-51250

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder  
 Washington DC  
 416

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER: Arrow Investments, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

3010 Westchester Avenue - Suite 203  
 (No. and Street)

Purchase, NY 10577  
 (City) (State) (Zip Code)

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

Steven Rubenstein (914) 251-1084  
 (Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Brace & Associates, PLLC  
 (Name - if individual, state last, first, middle name)

142 Lowell Road, Unit 17 #219, Hudson, NH 03051  
 (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).

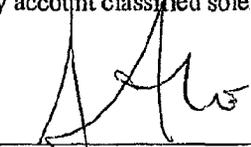
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OATH OR AFFIRMATION

I, Steven G. Rubenstein, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Arrow Investments, Inc., 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:

None

JOHN M. SUOZZO  
Notary Public - State of New York  
ID No. 01SU6070919  
Qualified in Westchester County  
My Commission Expires March 11, 2018

  
\_\_\_\_\_  
Steven G. Rubenstein  
Chairman

  
\_\_\_\_\_  
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.
- (f) Statement of Changes in Subordinated Liabilities  
(not applicable)
- (g) Computation of Net Capital  
Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- (h) Computation for Determination of Reserve Requirements for Brokers and  
Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934. (not  
applicable)
- (i) Information Relating to the Possession or Control Requirements  
for Brokers and Dealers Pursuant to Rule 15c3-3 under the  
Securities Exchange Act of 1934 (not applicable).
- (j) A Reconciliation, including Appropriate Explanations, of the Computation of Net  
Capital Under Rule 15c3-1 and the Computation for Determination of the  
Reserve Requirements Under Rule 15c3-3
- (k) A Reconciliation Between the Audited and Unaudited Consolidated Statements  
of Financial Condition With Respect to Methods of Consolidation (not  
applicable).
- (l) An Oath or Affirmation.
- (m) A Copy of the SIPC Supplemental Report.
- (n) Report on management's assertion letter regarding 15c3-3 Exemption Report
- (o) Management's assertion letter regarding 15c3-3 Exemption Report

Public Report

# **ARROW INVESTMENTS, INC.**

Statement of Financial Condition

December 31, 2016

With Report of Independent Registered Public Accounting Firm

**Arrow Investments, Inc.**  
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**December 31, 2016**

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# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

142 LOWELL ROAD, UNIT 17 #219

HUDSON, NH 03051

TEL (603) 889-4243

FAX (603) 369-6019

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
of Arrow Investments, Inc.

We have audited the accompanying statement of financial condition of Arrow Investments, Inc. as of December 31, 2016, and the related notes to the financial statements. This financial statement is the responsibility of Arrow Investments, Inc.'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 Arrow Investments, Inc. as of December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

*Brace & Associates, PLLC*

Brace & Associates, PLLC

Hudson, NH

February 13, 2017

**Arrow Investments, Inc.**  
**Statement of Financial Condition**  
**December 31, 2016**

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<b>Assets</b>	
Cash	\$ 28,236
Prepaid expenses	<u>283</u>
<b>Total assets</b>	<b><u>\$ 28,519</u></b>
<b>Liabilities and Stockholders' Equity</b>	
Liabilities	
Accrued expense	\$ 5,000
Due to related party	<u>1,700</u>
Total liabilities	6,700
Commitments and contingencies (see Note 7)	
Stockholders' equity	
Common stock, \$0.01 par value; 20,000 shares authorized; 80 shares issued and outstanding	1
Additional paid-in capital	47,249
Accumulated deficit	<u>(25,431)</u>
Total stockholders' equity	<u>21,819</u>
Total liabilities and stockholders' equity	<b><u>\$ 28,519</u></b>

The Notes to Financial Statement are an integral part of this statement.

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**Arrow Investments Inc.**  
**Notes to Financial Statement**  
**December 31, 2016**

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**1. Nature of Operations**

Arrow Investments, Inc. (the "Company") was incorporated in June 1998 in the State of New York, and operates as a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). Its customers are located throughout the United States.

**2. Summary of 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 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 income and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

The Company receives commissions for acting as a Placement Agent for private equity offerings and records the related revenue and expenses on a trade-date basis.

**Income Taxes**

The Company's shareholders elected S corporation status for federal and New York State income tax purposes. All taxable income and expense items are allocated to the shareholders for inclusion in their respective income tax returns. Accordingly, there is no provision for federal income taxes. The Company files tax returns in the U.S. federal jurisdiction and one state. The Company incurred no interest or penalties, has no open years prior to 2013, and had no unrecognized tax benefits at December 31, 2016.

**3. Net Capital Requirements**

As a registered broker-dealer, the Company is subject to the SEC's Uniform Net Capital for Broker-Dealers Rule (Rule 15c3-1). Rule 15c3-1 requires the maintenance of minimum net capital of \$5,000 as defined and requires that the aggregate indebtedness, as defined, shall not exceed fifteen times net capital. At December 31, 2016, the Company had net capital of \$21,536 which exceeded the required net capital of \$5,000 by \$16,536. At December 31, 2016, the Company's aggregate indebtedness to net capital ratio was 0.311 to 1.

**4. Regulation**

The Company is registered as a broker-dealer with the SEC. The securities industry in the United States is subject to extensive regulation under both federal and state laws. The SEC is the federal agency responsible for the administration of the federal securities laws. Much of the regulation of broker-dealers has been delegated to self-regulatory organizations, such as the Financial Industry Regulatory Authority, which has been designated by the SEC as the Company's primary regulator. These self-regulatory organizations adopt rules, subject to approval by the SEC, that govern the industry and conduct periodic examinations of the Company's operations. The primary purpose of these requirements is to enhance the protection of customer assets. These laws and regulatory requirements subject the Company to standards of solvency with respect to capital requirements, financial reporting requirements, record keeping and business practices.

Securities firms are also subject to regulation by state securities administrators in those states in which they conduct business.

Arrow Investments Inc.  
Notes to Financial Statement  
December 31, 2016

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**5. Concentrations**

The Company's revenues and profitability are affected by many conditions, including changes in economic conditions, inflation, political events, investor sentiment, and the changing security laws. These factors are unpredictable and beyond the Company's control, earnings may fluctuate significantly from year to year.

**6. Related Party Transactions**

The Company has an expense sharing agreement with a company (the "affiliate") whose shareholders are also the shareholders of the Company. The affiliate pays certain general and administrative expenses on behalf of the Company. At December 31, 2016 amount due to related party was \$1,700. Amounts are non-interest bearing and are expected to be repaid within one year from December 31, 2016.

**7. Commitments and Contingencies**

The Company's overhead expenses are paid by an affiliate. The Company has an agreement with the affiliate and it is continuous until amended in writing by either party at their sole discretion. This expense agreement was established to have the affiliate pay certain expenses on behalf of the Company. These expenses are billed directly to the affiliate by the vendors. The Company has no obligation, direct or indirect, to compensate the affiliate or any third party.

**8. Subsequent Events**

The Company has evaluated subsequent events occurring after the statement of financial condition date through the date of February 13, 2017, the date for which the financial statement was issued. Based upon this evaluation, the Company has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statement.