



OATH OR AFFIRMATION

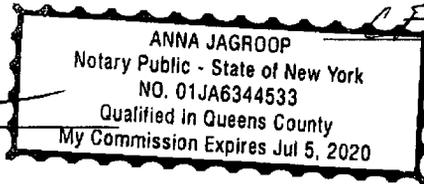
I, **Brian M. Molouey**, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Silvergrove Advisors LLC**, as of **December 31, 2016**, are true and correct. I further affirm that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

*Brian M. Molouey*  
Signature

*CEO, Managing Member*  
Title

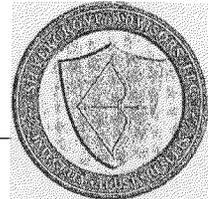
*[Signature]*  
Notary Public



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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of 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).



**SEA RULE 15c3-3 EXEMPTION REPORT**

I, Brian Moloney, Chief Executive Officer of Silvergrove Advisors LLC (the "Company") represent the following:

1. The Company claims the k(2)(i) exemption from 17 C.F.R. §240.15c3-3;
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k)(i) throughout the most recent fiscal year ending December 31, 2016 without exception; and
3. There were no exceptions during the most recent fiscal year in meeting the identified exemption provisions in 17 C.F.R. §240.15c3-3(k).

I affirm that, to my best knowledge and belief, this Exemption Report is true and correct. The Company does not handle cash or securities on behalf of customers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian M. Moloney".

Brian M. Moloney, Chief Executive Officer  
February 15, 2017



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Member of Silvergrove Advisors LLC

We have audited the accompanying statement of financial condition of Silvergrove Advisors LLC (the "Company"), as of December 31, 2016, and the related statements of operations and changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company. 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. 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 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, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supporting schedules required by SEA Rule 17a-5 have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supporting schedules are the responsibility of the Company's management. Our audit procedures included determining whether the information in the supporting schedules 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 the supporting schedules. In forming our opinion on the supporting schedules, we evaluated whether the supporting schedules, including their form and content, are presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

February 23, 2017

PKF O'CONNOR DAVIES, LLP  
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**SILVERGROVE ADVISORS LLC**  

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**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2016**

**ASSETS**

Cash and cash equivalents	\$ 4,431,393
Restricted securities	76,500
Accounts receivable	112,081
Prepaid expenses	<u>5,235</u>
Total assets	<u><u>\$ 4,625,209</u></u>

**LIABILITIES AND MEMBER'S CAPITAL**

Liabilities	
Accounts payable	<u>\$ 9,836</u>
Total liabilities	9,836
Member's capital	<u>4,615,373</u>
Total liabilities and member's capital	<u><u>\$ 4,625,209</u></u>

See notes to the financial statements.

**SILVERGROVE ADVISORS LLC**  

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**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>REVENUE</b>	
Fee income	\$ 3,891,005
Unrealized gains on restricted securities	1,500
Interest income	3,849
	<hr/>
Total revenue	3,896,354
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<b>EXPENSES</b>	
Compensation	90,000
Professional fees	30,190
Occupancy	29,664
Regulatory fees	10,154
Other operating expenses	38,666
	<hr/>
Total expenses	198,674
	<hr/>
Net income	<u><u>\$ 3,697,680</u></u>

See notes to the financial statements.

# SILVERGROVE ADVISORS LLC

## STATEMENT OF CHANGES IN MEMBER'S CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2016

Member's capital, as of January 1, 2016	\$ 1,955,693
Distributions	(1,038,000)
Net income	<u>3,697,680</u>
Member's capital, as of December 31, 2016	<u><u>\$ 4,615,373</u></u>

See notes to the financial statements.

**SILVERGROVE ADVISORS LLC**  


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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ 3,697,680
Adjustments to reconcile net income to net cash provided by operating activities:	
Restricted securities from success fees	(75,000)
Unrealized gains on restricted securities	(1,500)
(Increase) decrease in:	
Accounts receivable	(112,081)
Prepaid expenses	(4,455)
Increase (decrease) in:	
Accounts payable	<u>9,152</u>
Net cash provided by operating activities	<u>3,513,796</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Distributions	<u>(1,038,000)</u>
Net cash used in financing activities	<u>(1,038,000)</u>
Net increase in cash	2,475,796
Cash, beginning of year	<u>1,955,597</u>
Cash, end of year	<u><u>\$ 4,431,393</u></u>

See notes to the financial statements.

# SILVERGROVE ADVISORS LLC

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## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 1. The Company

Silvergrove Advisors LLC, a New Jersey limited liability company, (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC"), and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company, located in New York, New York, assists companies in raising capital through the private placement of securities and provides advisory services related to mergers and acquisitions. As a limited liability company, the liability of the managing member is limited to the value of his membership interest.

### 2. Significant Accounting Policies

#### *Basis of Presentation*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP may require management make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. Actual results could differ from those estimates.

#### *Fair Value of Financial Instruments*

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments approximate the carrying values of such amounts.

#### *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Company considers all highly liquid investments, with a maturity of three months or less at the time of purchase, to be cash equivalents.

#### *Accounts Receivable*

The Company considers accounts receivable to be fully collectible and, accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations when that determination is made.

#### *Revenue Recognition*

Fee income consists of retainer fees and success fees. Fee income from retainer fees is recorded periodically as earned based on the terms of specific retainer agreements that the Company enters into. Fee income from success fees is recognized at the time a transaction is consummated within the terms of the specific agreements.

In addition, at times, the Company receives restricted securities as payment on contracts for services rendered.

#### *Income Taxes*

The Company, a single member limited liability company, passes 100% of its taxable income and expenses to its sole member. Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company is no longer subject to examination by all major tax jurisdictions prior to 2013.

# SILVERGROVE ADVISORS LLC

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 3. Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash. For the year ended December 31, 2016, the Company maintains cash balances which, at times, may exceed federally insured limits. The Company has not experienced any losses on its cash deposits.

For the year ended December 31, 2016, 89% of fee income was earned from one client. As of December 31, 2016, 93% of the Company accounts receivable was due from one client.

### 4. Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1      Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date.
- Level 2      Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3      Unobservable inputs for the asset or liability.

#### ***Determination of Fair Value***

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

# SILVERGROVE ADVISORS LLC

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 4. Fair Value Measurements (continued)

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value for financial instruments not recorded at fair value:

***Cash and cash equivalents, short-term financial instruments, accounts receivable and accounts payable***

The carrying amounts approximate fair value because of the short maturity of these instruments.

***Investments in Securities***

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models and assumptions that the managing member believes market participants would use to determine a current transaction price. These valuation techniques involve a high level of the managing member's estimation and judgment which become significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

***Assets and Liabilities Measured and Recognized at Fair Value on a Recurring Basis***

The table below presents the amounts of assets and liabilities measured at fair value on a recurring basis as of December 31, 2016:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Common stock, restricted	\$ 76,500	-	-	\$ 76,500

### 5. Net Capital Requirements

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital both as defined shall not exceed 15 to 1. As of December 31, 2016, the Company had net capital of \$4,421,557 which was \$4,416,557 in excess of its required capital. The Company's net capital ratio was .0022 to 1.

# SILVERGROVE ADVISORS LLC

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 6. Future Minimum Lease Payments

The Company leases its premises under a non-cancellable lease agreement for office space which expired in February 2016 but was renewed for an additional twelve month term commencing March 1, 2016. Rent expense for 2016 was \$29,664.

The minimum annual future rental payments under this agreement as of December 31, 2016 is \$4,944 payable in 2017.

### 7. Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued which date February 23, 2017.

On January 6, 2017, the Company distributed \$101,500 to the member.

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**SUPPORTING SCHEDULES PURSUANT TO RULE  
17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934**

# SILVERGROVE ADVISORS LLC

## SCHEDULE I

### COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934 ("SEA") AS OF DECEMBER 31, 2016

#### NET CAPITAL

Total member's capital		\$ 4,615,373
Deductions and/or charges:		
Non-allowable assets:		
Accounts receivable	112,081	
Prepaid expenses	5,235	
Total deductions and/or charges	<u>117,316</u>	
Net capital before haircuts		4,498,057
Haircuts on securities		<u>76,500</u>
Net capital		<u><u>\$ 4,421,557</u></u>

#### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required of 6-2/3% of aggregate indebtedness of \$9,836 or \$5,000, whichever is greater		<u>5,000</u>
Excess of net capital over minimum requirement		<u><u>\$ 4,416,557</u></u>
Aggregate indebtedness		
Accounts payable		<u><u>\$ 9,836</u></u>
Percent of aggregate indebtedness to net capital		<u><u>0.22%</u></u>

#### RECONCILIATION OF COMPUTATION OF NET CAPITAL UNDER SEA RULE 15c3-1 AS OF DECEMBER 31, 2016

*There was no difference between the Computation of Net Capital above and the corresponding schedule included in the Company's amended December 31, 2016 Part IIA FOCUS filing.*

See report of independent registered public accounting firm.

# **SILVERGROVE ADVISORS LLC**

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## **SCHEDULE II**

### **COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE YEAR ENDED DECEMBER 31, 2016**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i). All transactions are processed in accordance with Rule 15c3-1(a)(2).

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## **SCHEDULE III**

### **INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER SEA RULE 15c3-3 FOR THE YEAR ENDED DECEMBER 31, 2016**

The Company is engaged in private placements of securities and merger and acquisitions advisory services. The Company carried no customer accounts on its books nor had possession of customer securities.

See report of independent registered public accounting firm.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM ON REVIEW OF THE  
EXEMPTION REPORT**



**Report of Independent Registered Public Accounting Firm on  
Review of the Exemption Report**

**To the Member of  
Silvergrove Advisors LLC**

We have reviewed management's statements, included in the accompanying SEA Rule 15c3-3 Exemption Report, in which (1) Silvergrove Advisors LLC (the "Company") identified the following provision of 17 C.F.R. § 15c3-3 (k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k)(2)(i), (the exemption provision); and (2) the Company stated that it met the identified exemption provision throughout the year ended December 31, 2016 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 provision. 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 provision set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*PKF O'Connor Davies, LLP*

February 23, 2017



**SEA RULE 15c3-3 EXEMPTION REPORT**

I, Brian Moloney, Chief Executive Officer of Silvergrove Advisors LLC (the "Company") represent the following:

1. The Company claims the k(2)(i) exemption from 17 C.F.R. §240.15c3-3;
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k)(i) throughout the most recent fiscal year ending December 31, 2016 without exception; and
3. There were no exceptions during the most recent fiscal year in meeting the identified exemption provisions in 17 C.F.R. §240.15c3-3(k).

I affirm that, to my best knowledge and belief, this Exemption Report is true and correct. The Company does not handle cash or securities on behalf of customers.

Respectfully submitted,

Brian M. Moloney, Chief Executive Officer  
February 15, 2017