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

Washington DC  
415

SEC FILE NUMBER
8-67520

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 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Empire Asset Management Company, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**29 Broadway 12th Floor**

(No. and Street)

**New York**

**NY**

**10006**

(City)

(State)

(Zip Code)

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

Scott Flynn, CPA Lehman, Flynn, Vollaro CPA's

212-736-2220

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Flynn, Scott Patrick**

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

**534 Broadhollow Road**

**Melville**

**NY**

**11747**

(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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*EW*

*yw*

OATH OR AFFIRMATION

I, Gregg Zeol, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Empire Asset Management Company, LLC, as of December 31st, 2017, 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:

LAUREN M BANJANY
Notary Public, State of New York
Registration #01BA6299082
Qualified In New York County
Commission Expires March 17, 2018

Handwritten signature of Lauren M. Banjany
Signature
Chief executive Officer
Title



Lauren Banjany
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).

EMPIRE ASSET MANAGEMENT COMPANY LLC  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2017

EMPIRE ASSET MANAGEMENT COMPANY LLC  
 FINANCIAL STATEMENTS  
 AND INDEPENDENT AUDITOR'S REPORT  
 YEAR ENDED DECEMBER 31, 2017

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**LEHMAN FLYNN VOLLARO P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
534 BROADHOLLOW ROAD • SUITE 302  
MELVILLE, NEW YORK 11747

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SCOTT P. FLYNN, CPA  
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American Institute of CPAs  
New York State Society of CPAs

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members  
of Empire Asset Management Company LLC

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Empire Asset Management Company LLC as of December 31, 2017, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Empire Asset Management Company LLC as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of Empire Asset Management Company LLC's management. Our responsibility is to express an opinion on Empire Asset Management Company LLC's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Empire Asset Management Company LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Supplemental Information**

Schedule I-Computation of Net Capital Pursuant to Rule 15c3-1, Schedule II-Computation for Determination of Reserve Requirements under Rule 15c3-1 (exemption), Schedule III-Information Relating to Possession or Control Requirements under Rule 15c3-3 (exemption), and Schedule IV-

Segregation Requirements and Funds in Segregation for Customers' Regulated Commodity Futures and Options Accounts (exemption) have been subjected to audit procedures performed in conjunction with the audit of Empire Asset Management Company LLC's financial statements. The supplemental information is the responsibility of Empire Asset Management Company LLC's management. Our audit procedures included determining whether the supplemental information 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 supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, Schedule I-Computation of Net Capital Pursuant to Rule 15c3-1, Schedule II-Computation for Determination of Reserve Requirements under Rule 15c3-1 (exemption), Schedule III-Information Relating to Possession or Control Requirements under Rule 15c3-3 (exemption), and Schedule IV-Segregation Requirements and Funds in Segregation for Customers' Regulated Commodity Futures and Options Accounts (exemption) is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Lehman Flynn Vollaro CPA's*

We have served as Empire Asset Management Company LLC's auditor since 2007.

Melville, New York

February 21, 2018

EMPIRE ASSET MANAGEMENT COMPANY LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2017

ASSETS

Current assets:	
Cash and cash equivalents	\$ 737,682
Investment – marketable securities at FMV	819,939
Receivables from broker – dealers and clearing organizations	664,955
Other receivables	87,100
Prepaid expenses	<u>48,812</u>
Total current assets	2,358,488
Furniture, fixtures and equipment (net of accumulated depreciation)	237,598
Other assets:	
Pension asset	80,090
Security deposits	<u>81,926</u>
Total other assets	<u>162,016</u>
Total assets	<u>\$2,758,102</u>

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:	
Accounts payable and accrued expenses	\$ 59,403
Pension payable	166,109
Commissions payable	591,284
Lease payable	<u>38,873</u>
Total liabilities	855,669
Members' equity	<u>1,902,433</u>
Total liabilities and members' equity	<u>\$2,758,102</u>

See Report of Independent Registered Public Accounting Firm.  
The accompanying notes are an integral part of this statement.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
STATEMENT OF INCOME AND CHANGES IN MEMBERS' EQUITY  
YEAR ENDED DECEMBER 31, 2017

Revenues:

Commissions	\$5,493,354
Advisory income	1,627,806
Insurance income	338,472
Service fee income	368,754
Research and consulting	143,033
Investment income	<u>136,003</u>
 Total revenues	 <u>\$8,107,422</u>

Operating expenses:

Employee compensation and benefits	5,898,756
Brokerage, exchange and clearance fees	777,145
Occupancy and related depreciation	351,810
Office expense and postage	215,152
Professional fees	82,127
Communications and technology	113,983
Insurance expense	59,630
Licenses, registrations and permits	65,512
Marketing and selling expense	<u>31,584</u>
 Total operating expenses	 <u>7,595,699</u>

Net Income	511,723
Other comprehensive income – defined benefit plan actuarial gain	<u>80,090</u>
Total comprehensive income	591,813
Members' equity - January 1, 2017	1,431,380
Less: Distributions	<u>120,759</u>
Members' equity – December 31, 2017	<u>\$1,902,434</u>

See Report of Independent Registered Public Accounting Firm.  
The accompanying notes are an integral part of this statement.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities:	
Net income	\$ 511,723
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	38,124
Receivable from broker – dealers and clearing organizations	607,810
Other receivables	71,777
Prepaid expense	3,974
Accounts payable	20,679
Pension payable	116,109
Commissions payable	<u>68,965</u>
Net cash used in operating activities	<u>1,439,161</u>
Cash flows from investing activities:	
Leased equipment	(77,741)
Investment – furniture and fixtures	(15,232)
Investment – marketable securities, net	<u>(764,375)</u>
Net cash provided by investing activities	<u>(857,348)</u>
Cash flows from financing activities:	
Distributions	<u>(120,759)</u>
Net cash used in financing activities	<u>(120,759)</u>
Net change in cash	461,054
Cash at beginning of year	<u>276,628</u>
Cash at end of year	<u>\$ 737,682</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for interest	\$ <u><u>-0-</u></u>
Cash paid during the year for taxes	\$ <u><u>-0-</u></u>

See Report of Independent Registered Public Accounting Firm.  
The accompanying notes are an integral part of this statement.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 1 – BUSINESS DESCRIPTION**

The Company was formed November 2, 2006 under Section 203 of the limited liability company laws of New York State. The Company is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA). Services provided to clients by the Company include securities brokerage and investment banking. All securities transactions are cleared through another broker (clearing broker) that settles all transactions and maintains customer accounts.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**USE OF ESTIMATES**

The preparation of the financial statements, in conformity with 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**INCOME TAXES**

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. For New York City income tax purposes an entity level surcharge is imposed on the Company's allocable income.

**REVENUE RECOGNITION**

Commission revenues are recorded as income when earned and are shown gross of related brokerage, clearing and exchange fees.

Investment banking revenues arising from securities offerings in which the Company acts as an underwriter or agent are recorded when services for the transactions are substantially completed.

**METHOD OF ACCOUNTING**

The financial statements have been prepared on the accrual basis of accounting.

**FURNITURE FIXTURES AND EQUIPMENT**

Additions to property, plant and equipment are recorded at cost. The cost of major additions and betterments are capitalized, while the cost or replacements, maintenance and repairs, that do not improve or extend the useful lives of the related assets are expensed as incurred.

Depreciation is provided principally on the straight-line method over estimated useful lives.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**FURNITURE FIXTURES AND EQUIPMENT (continued)**

We evaluate property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable or the assets are being held for sale. Upon the occurrence of a triggering event, we review the asset to assess whether the estimated undiscounted cash flows expected for the use of the asset plus residual value from the ultimate disposal exceeds the carrying value of the asset. If the carrying value exceeds the estimated recoverable amounts, we write down the asset to the estimated fair value.

**STATEMENT OF CASH FLOWS**

For purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid cash investments with original maturities of less than three months that are not held for sale in the ordinary course of business.

**CASH AND CASH EQUIVALENTS**

At times during the year, the Company had cash balances in financial institutions that exceed Federal depository insurance limits. Management believes that credit risk related to these deposits is minimal.

**SUBSEQUENT EVENTS**

The company has evaluated subsequent events through February 21, 2018, which is the date the financial statements were available to be issued.

**NOTE 3 – RECEIVABLES FROM BROKER-DEALERS AND CLEARING ORGANIZATIONS**

Amounts receivable from broker-dealers and clearing organizations at December 31, 2017 consist of fees and commissions receivable at that date. The Company clears customer transactions through another broker-dealer on a fully disclosed basis. The agreement between the Company and the clearing broker requires that the Company maintain a collateral deposit of \$150,000 which is included in the balance due as of December 31, 2017 of \$664,955.

**NOTE 4 – INVESTMENTS**

The Company's Investments in marketable securities are presented at fair market value based upon quoted prices in active markets. Investment income is recognized when earned. Investments with maturities of less than one year from the balance sheet date are classified as current assets.

At December 31, 2017, investments consist of the following:

	<u>2017</u>
Debt securities	<u>\$819,939</u>
Total securities	<u>\$819,939</u>

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 4 – INVESTMENTS - continued**

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to assess.

Level 2 - inputs are inputs (other than the quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for the asset or liability and rely on management’s own judgments about the assumptions that market participants would use in pricing the asset or liability.

At December 31, 2017, the Company’s investments are classified as follows based on fair values:

<u>Category</u>	<u>2017 Fair Value</u>
Level 1	-
Level 2	\$ 819,939
Level 3	-
	<u>\$ 819,939</u>

**NOTE 5 - FURNITURE, FIXTURES AND EQUIPMENT**

Furniture and fixtures	\$ 318,233
Office equipment	119,946
Leasehold improvements	<u>80,829</u>
	519,008
Less: Accumulated depreciation	<u>281,410</u>
Net furniture, fixtures and equipment	<u>\$ 237,598</u>

**NOTE 6 - NET CAPITAL REQUIREMENTS**

As a broker-dealer, the Company is subject to the Securities and Exchange Commission’s regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital as defined, not exceeding 15 to 1. The Company’s net capital as computed under Rule 15c3-1, was \$1,333,701 at December 31, 2017, which exceeded required net capital of \$100,000 by \$1,233,701. The ratio of aggregate indebtedness to net capital at December 31, 2017 was 0.612 to 1.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 7 - CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty and it is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company maintains all of its cash in financial institutions, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not subject to any significant credit risk on cash.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

Rent Expense and Lease Commitments

The Company conducts its operation from a leased facility. The Company is generally liable for its proportionate share of any increases in real estate taxes and operating expenses. Rent expense related to this lease was \$182,706 for the period ended December 31, 2016. The lease expired June 30, 2016. The Company signed a new lease in 2016. The terms of the lease are similar to the prior lease. Rent expense related to this lease was \$131,151 for the period ended December 31, 2016. The lease expires November 30, 2026. The minimum future rental payments under the operating lease having a minimum term in excess of one year as of December 31, 2016 for the next 5 years is as follows:

<u>Date</u>	<u>Amount</u>
2018	\$ 327,705
2019	327,705
2020	327,705
2021	331,606
2022	374,520
Thereafter	<u>1,841,390</u>
Total	<u>\$3,156,111</u>

Legal Matters

The Company is involved in various legal matters arising in the ordinary course of its business. Management is of the opinion that these matters will not have a material adverse affect on the Company's financial statements.

**NOTE 9 - BROKER-DEALER REGULATION**

The Company and the financial services industry in general are subject to stringent regulation by U.S. federal and state agencies, securities exchanges, and self-regulating organizations, each of which has been charged with the protection of the financial markets and the interests of those participating in those markets.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2017

**NOTE 10 – PENSION PLAN**

Cash Balance Defined benefit plan - The Company has a qualified defined benefit pension plan for all qualified employees. Benefits under this plan are based on years of service and compensation. The plan is frozen and will not accrue new benefits until unfrozen.

The following table sets forth the changes in benefit obligation, change in plan assets and the unfunded status of the plan as of December 31, 2017 (the measurement dates):

	<u>Retirement Plan</u>
Changes in benefit obligation	
Benefit obligation at January 1	\$ 142,445
Service cost	0
Interest cost	8,245
Actuarial (gain)/loss	0
Benefit and fee payments	<u>(0)</u>
Benefit obligation at December 31	<u>\$ 150,693</u>
Change in plan assets	
Fair value of plan assets at January 1	\$ 93,080
Actual return on plan assets	17,703
Employer contributions	5,000
Benefit and fee payments	<u>(0)</u>
Fair value of plan assets at December 31	<u>\$ 115,783</u>
Accrued benefit cost recognized in the statements of financial position	<u>\$(34,910)</u>

The accumulated benefit obligation, projected benefit obligation and fair value of plan assets for the retirement plan are as follows:

	<u>December 31, 2017</u>
Projected benefit obligation	\$ 150,693
Accumulated benefit obligation	150,693
Fair value of plan assets	115,783

Cash Balance Defined benefit plan - The Company has a qualified defined benefit pension plan for all qualified employees. Benefits under this plan are based on years of service and compensation.

Funding policy – The Company’s funding policy is to contribute annually an amount that meets or exceeds the minimum requirements of the Employee Retirement Income Security Act of 1974 (ERISA), using assumptions different from those used for financial reporting.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 10 – PENSION PLAN - continued**

Assumptions used in developing the plans' unfunded status at December 31, :

	<u>Retirement Plan</u>
Discount rate	5.79%
Rate of compensation increase	0%

Description of Investment Policies and Strategies

The overall objective of the retirement plan is to produce an asset allocation that will generate 5% total return annually to meet expense and income needs to provide for sufficient annual asset growth.

Plan Assets Category	<u>Total</u>	<u>Active Markets Level (1)</u>	<u>Observable Inputs Level (2)</u>	<u>Unobservable Inputs Level (3)</u>
Money market accounts	\$ 894	\$ 894	-	-
Common stock	68,656	68,657	-	-
Exchange traded funds	27,414	27,414	-	-
Mutual funds	<u>18,818</u>	-	<u>18,818</u>	-
	<u>\$115,783</u>	<u>\$ 96,965</u>	<u>\$18,818</u>	<u>\$ 0</u>

Funds for the retirement plan are invested in equity and debt securities and are rebalanced when needed to remain at the target levels set above.

Performance is reviewed monthly based on performance results and benchmarks are compiled and reviewed by the Company.

Cash Flows

The Agency expects to pay the following retirement benefit payments, which reflect expected future service, as appropriate:

	<u>Retirement Plan</u>
2017	\$ 0
2018	0
2019	0
2020	0
2021	0
2022-2026	0

The following table provides the components of the net periodic benefit cost for the plan for the years ended December 31, 2017:

Service cost	\$ 0
Interest cost on projected benefit obligation	8,245
Expected return on plan assets	(4,654)
Amortization of (gain)/loss	<u>0</u>
Net periodic pension cost (income)	<u>\$ 3,591</u>

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 10 – PENSION PLAN - continued**

Prior service costs are amortized over eight years for the retirement plan.

Assumptions used in developing the net periodic benefit cost at December 31, 2017 were:

Discount rate	5.79%
Rate of compensation increase	0.00%
Expected long-term rate of return on plan assets	5.00%

**Basis Used to Determine the Expected Long-Term Rate on Assets**

The 5% asset return assumption was chosen to reflect anticipated long term investment return.

**NOTE 11 – INCOME TAXES**

The Company files income tax returns in the U.S. federal jurisdiction, and state and local jurisdictions. The Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2013.

The Company follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company recognized no increase in the liability for unrecognized tax benefits. The Company has no tax position at December 31, 2017 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented. The Company had no accruals for interest and penalties at December 31, 2017.

The provision for income taxes consists of the following:

	<u>2017</u>
New York State Corporation Tax	\$ <u>325</u>
Total	\$ <u>325</u>

EMPIRE ASSET MANAGEMENT COMPANY LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

**NOTE 12 – OFF BALANCE SHEET RISK**

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. All of the customer's money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company and must maintain, at all times, a clearing deposit of not less than \$150,000. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the customer's accounts. In addition, the receivable from the clearing broker (commissions earned) is pursuant to the clearance agreement.

In the normal course of business, the Company's customer activities involve the execution, settlement and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract as a loss.

EMPIRE ASSET MANAGEMENT COMPANY LLC  
SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2017

SCHEDULE 1

EMPIRE ASSET MANAGEMENT COMPANY LLC

COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL  
PURSUANT TO RULE 15c3-1

DECEMBER 31, 2017

<b>Computation of net capital</b>	
Total member's equity	\$1,822,344
Less – non-allowable assets	
Other receivables	(23,435)
Property and equipment, net	(237,598)
Other assets	<u>(194,522)</u>
Net capital before haircuts on securities positions	1,366,789
Haircuts on securities	<u>(33,088)</u>
<b>Net capital</b>	<b><u>\$1,333,701</u></b>
<b>Computation of aggregate indebtedness</b>	
Accounts payable and accrued expenses includable in aggregate indebtedness	<u>\$ 816,795</u>
<b>Aggregate indebtedness</b>	<b><u>\$ 816,795</u></b>
<b>Computation of basic net capital requirement:</b>	
Minimum net capital required (6 2/3% of aggregate indebtedness)	\$ 54,453
Minimum dollar requirement	<u>100,000</u>
<b>Net capital requirement</b> <b>(greater of minimum net capital or dollar requirement)</b>	<b><u>\$ 100,000</u></b>
<b>Excess net capital</b>	<b><u>\$1,233,701</u></b>
<b>Excess net capital at 1000 percent</b>	<b><u>\$1,213,701</u></b>
<b>Ratio: aggregate indebtedness to net capital</b>	0.612 to 1
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2017)	
Net capital, as reported in Company's Part II (unaudited) Focus report	\$1,333,701
No adjustments	<u>0</u>
<b>Net capital, as included in this report</b>	<b><u>\$1,333,701</u></b>

See Report of Independent Registered Public Accounting Firm.  
The accompanying notes are an integral part of this statement.

SCHEDULE II

EMPIRE ASSET MANAGEMENT COMPANY LLC

COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER  
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2017

The Company is exempt from compliance with Rule 15c3-3 under Section k(2)(ii) of the Rule. The Company has all customer transactions cleared through another broker-dealer on a fully disclosed basis. The Company was in compliance with the conditions of the exemption as of December 31, 2017.

See Report of Independent Registered Public Accounting Firm  
The accompanying notes are an integral part of this statement.

SCHEDULE III

EMPIRE ASSET MANAGEMENT COMPANY LLC

INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2017

The Company is exempt from compliance with Rule 15c3-3 under Section k(2)(ii) of the Rule. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities. The Company was in compliance with the conditions of the exemption as of December 31, 2017.

See Report of Independent Registered Public Accounting Firm  
The accompanying notes are an integral part of this statement.

SCHEDULE IV

EMPIRE ASSET MANAGEMENT COMPANY LLC

SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN  
SEGREGATION FOR CUSTOMERS' REGULATED  
COMMODITY FUTURES AND OPTION ACCOUNTS

DECEMBER 31, 2017

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the timeframes specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under rule 15c3-3.

See Report of Independent Registered Public Accounting Firm  
The accompanying notes are an integral part of this statement.

**LEHMAN FLYNN VOLLARO P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**534 BROADHOLLOW ROAD • SUITE 302**  
**MELVILLE, NEW YORK 11747**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Members  
of Empire Asset Management Company LLC

We have reviewed management's statements, included in the accompanying Affirmation of Exemption Declaration Certification, in which (1) Empire Asset Management Company LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Empire Asset Management Company LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (exemption provisions) and (2) Empire Asset Management Company LLC stated that Empire Asset Management Company LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Empire Asset Management Company 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 Empire Asset Management Company 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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Lehman Flynn Vollaro CPAs*

Melville, New York

February 21, 2018

EMPIRE ASSET MANAGEMENT COMPANY LLC  
STATEMENT OF EXEMPTION FROM SEC RULE 15c3-3  
DECEMBER 31, 2017

Empire Asset Management Company LLC (the "Company"), to the best of my knowledge and belief, hereby certifies as follows:

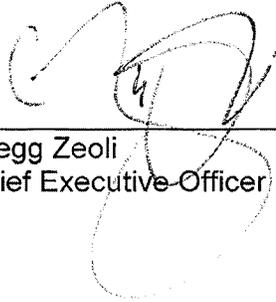
1. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities.
2. All customer transactions are cleared through another broker-dealer on a fully disclosed basis.
3. As a consequence, the Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission pursuant to Rule 15c3-3(k)(2)(i).
4. The Company met this exemption for the period from January 1, 2017 through December 31, 2017 without exception.

LLC

Empire Asset Management Company,

Dated: 02/22/2018

By: \_\_\_\_\_

  
Gregg Zeoli  
Chief Executive Officer

**LEHMAN FLYNN VOLLARO P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**534 BROADHOLLOW ROAD • SUITE 302**  
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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES**

Board of Directors and Members  
of Empire Asset Management Company LLC

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by Empire Asset Management Company LLC and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Empire Asset Management Company LLC for the year ended December 31, 2017, solely to assist you and SIPC in evaluating Empire Asset Management Company LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Empire Asset Management Company LLC's management is responsible for Empire Asset Management Company LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2017 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2017, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated 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.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7.

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.

*John Flynn Vollaro CMAA'S*

Melville, New York

February 21, 2018

EMPIRE ASSET MANAGEMENT COMPANY LLC  
DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT  
YEAR ENDED DECEMBER 31, 2017

SCHEDULE OF ASSESSMENT PAYMENTS

General Assessment	\$10,903
Less Payments Made: (Paid August 16, 2017)	(4,947)
Less Payments Made: (Paid February 2018)	<u>(5,956)</u>
Total Assessment Balance or (Overpayment)	<u>\$ 0</u>

See Report of Independent Registered Public Accounting Firm on  
Applying Agreed-Upon Procedures

EMPIRE ASSET MANAGEMENT COMPANY LLC  
 DETERMINATION OF "SIPC NET OPERATING REVENUES"  
 AND GENERAL ASSESSMENT  
 YEAR ENDED DECEMBER 31, 2017

Total revenue	\$8,107,422
Additions:	
Interest and dividend expenses (to extent of income deducted)	_____ -0-
Total additions	\$ _____ -0-
Deductions:	
Revenues from the distribution of shares of a registered open end investment company or unit investment trust from the sale of variable annuities, the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts and from transactions in security future products	(97,387)
Revenues from commodity transactions	-0-
Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions	(228,411)
Net gain from securities in investment accounts	-0-
100% of commissions and markups earned from transactions in certificates of deposit, treasury bills, bankers acceptances of commercial paper that mature nine months or less from issuance date	-0-
Other revenue not related either directly or indirectly to securities business	(513,017)
Total interest and dividend expense but not in excess of total interest and dividend income	_____ -0-
Total deductions	_____ (838,815)
SIPC NET OPERATING REVENUES	\$7,268,607
GENERAL ASSESSMENT @ .0015	\$ <u>10,903</u>

See Report of Independent Registered Public Accounting Firm on  
 Applying Agreed-Upon Procedures