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

Mail Processing Section	SEC FILE NUMBER
FEB 28 2018	8-68003

**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 01/01/2017 AND ENDING 12/31/2017  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Stout Causey Capital Corporation**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**910 Ridgebrook Road**

	(No. and Street)		
<b>Sparks</b>	<b>MD</b>	<b>21152</b>	
(City)	(State)	(Zip Code)	

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

Christopher Helmuth 410-988-1351

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Smith Elliott Kearns & Company, LLC**

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

<b>480 North Potomac Street</b>	<b>Hagerstown</b>	<b>MD</b>	<b>21740</b>
(Address)	(City)	(State)	(Zip Code)

**CHECK ONE:**

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

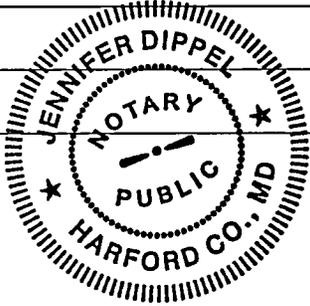
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

*BW*

OATH OR AFFIRMATION

I, Christopher Helmraht, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stout Causey Capital Corporation, as of December 31, 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:



Handwritten signature of Christopher Helmraht

Signature

President

Title

Handwritten signature of Jennifer Dippel, 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).



Smith Elliott Kearns & Company, LLC  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors  
Stout Causey Capital Corporation

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Stout Causey Capital Corporation (a Maryland corporation) as of December 31, 2017, the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Stout Causey Capital Corporation 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 Stout Causey Capital Corporation's management. Our responsibility is to express an opinion on Stout Causey Capital Corporation'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 Stout Causey Capital Corporation 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 and Required Net Capital Under Rule 15c3-1 and Schedule II – Reconciliation Between Audited and Unaudited Statements of Financial Condition (here in referred to as Supplemental Information) have been subjected to audit procedures performed in conjunction with the audit of Stout Causey Capital Corporation's financial statements. The supplemental information is the responsibility of Stout Causey Capital Corporation'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, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Smith Elliott Heavens & Company, LLC*

We have served as Stout Causey Capital Corporation's auditor since 2008.

Hagerstown, Maryland  
February 27, 2018

# Stout Causey Capital Corporation

## Statement of Financial Condition December 31, 2017

Assets	
Cash and cash equivalents	\$ 104,508
Accounts receivable, net of allowance of \$20,000	-
Other Assets	
Deposits	1,845
Total Assets	\$ 106,353
Liabilities and Stockholder's Equity	
Liabilities	
Due to Parent	3,833
Total Liabilities	\$ 3,833
Stockholder's Equity	
Common stock, par value \$1.00, 100,000 shares authorized, 8,650 shares issued and outstanding	\$ 8,650
Paid in capital	1,255,302
Accumulated deficit	(1,161,432)
Total Stockholder's Equity	102,520
Total Liabilities and Stockholder's Equity	\$ 106,353

*The accompanying notes are an integral part of this financial statement.*

**Stout Causey Capital Corporation**  
**Statement of Operations**  
**For the Year Ended December 31, 2017**

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Fee Income	\$ 7,500
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Total Income	7,500
Expenses	
Salaries and payroll taxes	24,025
Other operating expenses	119,619
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Total Expenses	143,644
Net Loss	\$ (136,144)

*The accompanying notes are an integral part of this financial statement.*

## Stout Causey Capital Corporation

### Statement of Changes in Stockholder's Equity For the Year Ended December 31, 2017

	Common Stock	Paid In Capital	Accumulated (Deficit)	Total Stockholder's Equity
Balance at December 31, 2016	\$ 8,650	\$ 1,126,437	\$ (1,025,288)	\$ 109,799
Net Loss	-	-	(136,144)	(136,144)
Capital Contributions	-	128,865	-	128,865
Balance at December 31, 2017	\$ 8,650	\$ 1,255,302	\$ (1,161,432)	\$ 102,520

*The accompanying notes are an integral part of this financial statement.*

# Stout Causey Capital Corporation

## Statement of Cash Flows For the Year Ended December 31, 2017

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Cash Flows From Operating Activities		
Net loss	\$	(136,144)
Adjustments to reconcile net loss to net cash used in operating activities		
Changes in assets and liabilities:		
Accounts receivable		15,000
Other assets		3,795
Due to/from Parent		(11,279)
<hr/>		
Net Cash Used in Operating Activities		(128,628)
Cash Flows From Financing Activities		
Capital Contributions		128,865
<hr/>		
Net change in Cash and Cash Equivalents		237
Cash and Cash Equivalents, beginning of year		104,271
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Cash and Cash Equivalents, end of year	\$	104,508

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*The accompanying notes are an integral part of this financial statement.*

# Stout Causey Capital Corporation

## Notes to Financial Statements For the Year Ended December 31, 2017

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### 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Stout Causey Capital Corporation (the Company) was incorporated in the State of Maryland and is a broker/dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company is a wholly owned subsidiary of SC&H Group, Inc. (the Parent).

#### Revenue Recognition

The Company provides consulting services related to mergers and acquisitions and business performance enhancement to organizations. The Company works on both a contingent fee and hourly fee basis. For contingent fee services, revenue is recognized upon settlement of a transaction. Hourly fees are billed on a monthly basis and revenue is recognized upon issuance of an invoice.

#### Cash and Credit Risk

The Company defines cash equivalents as cash held in checking accounts.

Cash held in banks may at times be in excess of the Federal Deposit Insurance Corporation insurance limit and management considers those circumstances to be a normal business risk.

#### Accounts Receivable

Accounts receivable represents hourly fees earned on activities that occurred prior to and to be paid after December 31, 2017.

The Company provides credit in the normal course of business to its customers and performs ongoing credit evaluations of those customers. Receivables are generally due thirty days after they are billed. The Company considers allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, projection of trends, and other information. Management of the Company periodically reviews the collectability of accounts receivable, and those accounts which are considered not collectable are written off as bad debts. Based on management's review, an allowance for doubtful accounts of \$20,000 has been recorded as of December 31, 2017.

#### Income Taxes

The Company is a Qualified Sub-Chapter S-Corporation, thus income is passed through to the Parent. The Parent is an S-Corporation for Federal and State income tax purposes. In lieu of corporation income taxes, the stockholders of the S-Corporation are taxed on their proportionate share of the Company's taxable income or loss. Therefore, no provision or liability for Federal or State income taxes has been provided in these financial statements.

# Stout Causey Capital Corporation

## Notes to Financial Statements For the Year Ended December 31, 2017

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### 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd.

#### Income Taxes – cont'd.

The Company follows the FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2017, the Company had no uncertain tax positions that require either recognition or disclosure in the Company's financial statements. Generally, the tax years before 2013 are no longer subject to examination by Federal, State or local taxing authorities.

#### Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 could differ from those estimates.

### 2. REGULATORY REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and a maximum ratio of aggregate indebtedness to net capital. The Rule provides that minimum net capital shall exceed the greater of \$5,000 or 6.67% (1/15<sup>th</sup>) of aggregated indebtedness and that aggregate indebtedness shall not exceed 15 times "net capital" as these terms are defined by the Rule. As of December 31, 2017, net capital is \$100,675 and aggregate indebtedness is \$3,833. Therefore, 6.67% of aggregate indebtedness, or \$256, is less than \$5,000 and the Company has excess net capital of \$95,675. Additionally, the Company's aggregated indebtedness of \$3,833 is less than the maximum allowed of \$1,510,125, or 15 times net capital. As of December 31, 2017, the Company is in compliance with these rules.

# **Stout Causey Capital Corporation**

## **Notes to Financial Statements For the Year Ended December 31, 2017**

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### **3. RELATED PARTY TRANSACTIONS**

The Company shares office space and personnel with affiliated companies. Certain personnel expenses are charged to the Company. During the year ended December 31, 2017, personnel costs of \$24,025 were charged to the Company.

The Parent pays all indirect expenses of the Company, which are then reimbursed by the Company. The Company maintains an intercompany balance with the Parent and is responsible for settling all liabilities to the Parent for the Company's portion of such costs. This agreement affects the Company's financial position and operating results in a manner that differs from those that might have been achieved if the Company was autonomous.

The Company maintains an operating cash account from which all direct expenses of the Company are paid. From time to time, the Company will advance cash to the Parent company.

At December 31, 2017, the Company owed \$3,833 for reimbursement of various shared services. The payable is reported as "Due to Parent" in the Company's statement of financial condition and is expected to be paid in full in 2018.

### **4. SUBSEQUENT EVENTS**

The Company has evaluated events and transactions subsequent to December 31, 2017 through February 27, 2018, the date these financial statements were issued. Based on the definitions and requirements of generally accepted accounting principles, management has not identified any events that have occurred subsequent to December 31, 2017 and through February 27, 2018, that require recognition or disclosure in the financial statements.

# Stout Causey Capital Corporation

## Schedule I - Computation of Net Capital and Required Net Capital Under Rule 15c3-1

As of December 31, 2017

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Net Capital		
Total Capital Funds	\$	102,520
Deductions		
Non-allowable receivables and deposits		(1,845)
Net Capital		100,675
Minimum Net Capital		5,000
Excess Net Capital	\$	95,675
Total Aggregate Indebtedness	\$	3,833
Ratio of Aggregate Indebtedness to Net Capital (maximum 15.00)		0.04

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**Stout Causey Capital Corporation**  
**Schedule II – Reconciliation Between Audited and**  
**Unaudited Statements of Financial Condition**  
**As of December 31, 2017**

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There were differences between the audited Statement of Financial Condition contained in this report and the unaudited Statement of Financial Condition included in the Company's unaudited Focus Report Part IIA filed as of December 31, 2017. The unaudited FOCUS Report Part IIA understated deposits in the amount of \$1,845 and overstated liabilities by \$285. Additionally, the unaudited FOCUS Report IIA understated the ownership equity by \$2,130. The differences were a result of adjustments proposed and agreed to by management during the course of performing audit procedures.



Smith Elliott Kearns & Company, LLC  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON EXEMPTION REPORT

To the Board of Directors  
Stout Causey Capital Corporation

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Stout Causey Capital Corporation identified the following provisions of 17 C.F.R. §15c3-3(k) under which Stout Causey Capital Corporation claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(i) ("exemption provisions") and (2) Stout Causey Capital Corporation stated that Stout Causey Capital Corporation met the identified exemption provisions throughout the most recent fiscal year without exception. Stout Causey Capital Corporation'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 Stout Causey Capital Corporation'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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

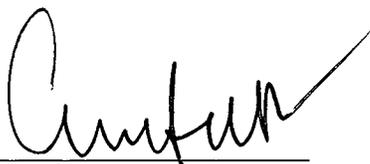
*Smith Elliott Kearns & Company, LLC*

Hagerstown, Maryland  
February 27, 2018

**Stout Causey Capital Corporation**  
**Exemption Report**  
**For the Year Ended December 31, 2017**

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The Company is exempt from the provisions of 17 C.F.R. §15c3-3(k). The activities of the Company are limited to those set forth in the conditions for exemption pursuant to subsection k(2)(i) of the Rule. The Company met the identified exemption provisions throughout the period January 1, 2017 to December 31, 2017, without exception.



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Stout Causey Capital Corporation  
Christopher Helmraath

SEC  
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Section

FEB 28 2018

Washington DC  
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Financial  
Report

December 31,  
2017

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# Stout Causey Capital Corporation

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