



18008594

JN

RMS

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden hours per response.....	12.00

SEC ANNUAL AUDITED REPORT  
 Mail Processing Section FORM X-17A-5 \*  
 PART III

AUG 23 2018

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder  
 Washington DC 20548

SEC FILE NUMBER
8- 65839

REPORT FOR THE PERIOD BEGINNING 07/01/2017 AND ENDING 06/30/2018  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: America's Growth Capital d/b/a AGC Partners

OFFICIAL USE ONLY
FIRM I.D. NO.

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

99 High Street, 22nd Floor

(No. and Street)

Boston

MA

02110

(City)

(State)

(Zip Code)

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

Matthew Stumpf

617-261-4117

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Wolf & Company, P.C.

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

99 High Street

Boston

MA

02110

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

<b>FOR OFFICIAL USE ONLY</b>

\*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)

OATH OR AFFIRMATION

I, M. Benjamin Howe, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of America's Growth Capital d/b/a AGC Partners, as of June 30, 2018, 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:

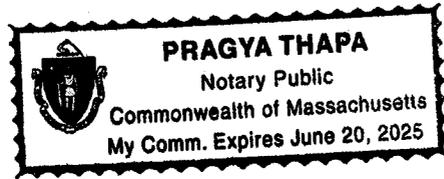
[Handwritten Signature]

Signature

CEO, Co-Founder

Title

[Handwritten 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).

## Table of Contents

Report of Independent Registered Public Accounting Firm	1
Financial Statements:	
Statement of Financial Condition	2
Notes to Financial Statements	3-10

# Report of Independent Registered Public Accounting Firm

---

To the Member and Management of America's Growth Capital, LLC:

## *Opinion on the Financial Statements*

We have audited the accompanying statement of financial condition of America's Growth Capital, LLC (d/b/a AGC Partners) (the "Company"), as of June 30, 2018 and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of June 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

## *Basis for Opinion*

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement 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 the Company 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 statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risk of material misstatement of the financial statement, 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor since 2007.

*Wolf & Company, P.C.*

Boston, Massachusetts

August 14, 2018

America's Growth Capital, LLC  
(d/b/a AGC Partners)

Statement of Financial Condition

June 30, 2018

Assets

Cash and cash equivalents (restricted portion \$111,927)	\$ 7,292,060
Securities owned, at fair value	227,209
Investment banking fees receivable	100,127
Other receivables	36,000
Due from related parties, non-interest bearing	1,914,111
Prepaid expenses and other current assets	326,510
Security deposits	133,876
Property and equipment, net	<u>341,339</u>
Total assets	<u>\$ 10,371,232</u>

Liabilities and Member's Equity

Liabilities:	
Accounts payable	\$ 37,163
Accrued compensation	1,307,810
Deferred rent and lease incentive	45,077
Deferred revenue	738,925
Other liabilities	<u>208,510</u>
Total liabilities	<u>2,337,485</u>
Member's equity	<u>8,033,747</u>
Total liabilities and member's equity	<u>\$ 10,371,232</u>

See accompanying notes to financial statements.

# America's Growth Capital, LLC

(d/b/a AGC Partners)

## Notes to Financial Statements

Year Ended June 30, 2018

### 1. ORGANIZATION AND NATURE OF BUSINESS

America's Growth Capital, LLC (d/b/a AGC Partners) (the "Company") was incorporated January 8, 2003 under the laws of the State of Delaware and is a limited liability company. America's Growth Capital Holdings, LLC (the "Member" or "Parent") is the Company's sole member.

The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company engages principally in investment banking services for its clients around the globe. The Company claims exemption from the requirements of Rule 15c3-3 under Section (k)(2)(i) of Rule 15c3-3.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Presentation*

The accompanying financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All items of income and expense are accounted for on the accrual basis.

#### *Use of Estimates*

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 the disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

#### *Cash and Cash Equivalents*

Cash and cash equivalents include cash and highly liquid investments with maturity of three months or less at the time of purchase. Cash and cash equivalents exclude amounts segregated under federal or other regulations. Cash equivalents are part of the cash management activities of the Company. Restricted cash consists of \$106,927 pledged as collateral issued in favor of the Company's landlord in Boston and \$5,000 as part of the Company's requirements under the SEC's Customer Protection Rule (15c3-3) to hold a "Special Reserve Bank Account for the Exclusive Benefit of Customers."

**America's Growth Capital, LLC**  
(d/b/a AGC Partners)

Notes to Financial Statements (Continued)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Investment Banking Fees Receivable***

Investment banking fees receivable represent amounts invoiced by the Company. Management assesses the need for any allowance for doubtful accounts based on information regarding individual accounts and historical experience. An allowance for doubtful accounts, if any, is determined based on management's best estimate of probable losses inherent in the accounts receivable balance. There is no allowance for doubtful accounts at June 30, 2018.

***Deferred Revenue***

In the ordinary course of business, the Company invoices and collects upfront, non-refundable retainer fees in connection with certain of its service engagements. The retainer fees are deferred and recognized ratably over the estimated term of the engagement.

***Income Taxes***

The Company is a wholly-owned limited liability company. Accordingly, the Company does not file its own income tax returns. Instead, the results of operations are included in the income tax returns of its Parent. The Company's tax reporting year end corresponds to the calendar year end.

The Company does not pay income taxes to its Parent nor does it have a tax sharing agreement with its Parent. Management does not have the intention of changing these facts. Thus, income taxes are not presented in its statement of financial condition.

Tax positions taken or expected to be taken in the course of preparing the Company's tax returns, including the position that the Company qualifies as a pass-through entity, are required to be evaluated to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authorities. There are no uncertain tax positions that require accrual or disclosure at June 30, 2018. No interest or penalties were recorded for the year ended June 30, 2018.

The Company is currently open to audit under the applicable statutes of limitations by the Internal Revenue Service for the tax years ended December 31, 2015 through 2017. The years open to examination by state taxing authorities vary by jurisdiction; no tax years prior to December 31, 2015 are open.

**America's Growth Capital, LLC**  
(d/b/a AGC Partners)

Notes to Financial Statements (Continued)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Property and Equipment***

Property and equipment is stated at cost and is depreciated using the straight-line method over their estimated useful lives.

	<u>Life in Years</u>
Hardware	2
Software	2
Furniture and fixtures	5 - 7

Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets or the lease life. The remaining lives of property and equipment are reviewed by management on a periodic basis. Management will revise its depreciation policy should it deem that the facts and circumstance so warrant. Repair and maintenance expenditures are charged to operations as incurred.

***Securities Owned Valuation***

Management estimates the fair value of investments in securities not traded on a national exchange using a market, income, or cost approach as further discussed in Note 5.

***Fair Value Hierarchy***

The Company groups its assets and liabilities measured at fair value in three levels which are based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities. Quoted prices are obtained from readily available pricing sources for market transactions at the measurement date.

Level 2 – Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**America's Growth Capital, LLC**  
(d/b/a AGC Partners)

Notes to Financial Statements (Continued)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

***Fair Value Hierarchy (concluded)***

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level of the fair value hierarchy in which the fair value measurement falls is determined by the lowest level input that is significant to the fair value measurement. There have been no transfers between the three levels during the year ended June 30, 2018.

***Recent Account Pronouncements***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, "Leases (Topic 842)." ASU 2016-02 will supersede current guidance related to accounting for leases and is intended to increase transparency and comparability among organizations by requiring lessees to recognize assets and liabilities in the balance sheet for operating leases with lease terms greater than twelve months. The update also requires improved disclosures to help users of financial statements better understand the amount, timing and uncertainty of cash flows arising from leases. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2018 for public entities, including broker dealers with early adoption permitted. The Company is currently evaluating the effect of this new guidance on the Company's financial statements.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 applies to all companies that enter into contracts with customers to transfer goods or services. In July 2015, the FASB modified ASU 2014-09 to be effective for annual reporting periods beginning after December 31, 2017 for public entities, including broker dealers. Entities have the choice to apply ASU 2014-09 either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying ASU 2014-09 at the date of initial application and not adjusting comparative information. The Company is currently evaluating the requirements of ASU 2014-09 and has not yet determined its impact on the Company's financial statements.

**America's Growth Capital, LLC**  
(d/b/a AGC Partners)

Notes to Financial Statements (Continued)

**3. SECURITIES OWNED**

Securities owned, at fair value, consist of the following at June 30, 2018:

Private company stock	\$ 227,209
	\$ 227,209

**4. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30, 2018:

Hardware	\$ 461,568
Software	79,776
Furniture and fixtures	327,978
Leasehold improvements	1,149,310
	2,018,632
Less: accumulated depreciation and amortization	(1,677,293)
	\$ 341,339

In connection with the lease for their Boston office, which commenced in August 2011, the Company incurred approximately \$916,000 of construction costs. Under the terms of the lease, the Company was reimbursed by the landlord for \$827,820 in construction costs. The reimbursement was recorded as deferred lease incentive on the statement of financial condition and is being amortized through rent expense over the lease term.

**5. FAIR VALUE MEASUREMENTS**

Quantitative Information about Level 3 Fair Value Measurements				
	Fair Value	Valuation Technique	Unobservable Quantitative Input	Median Revenue Multiple
Private stock	\$ 227,209	Implied enterprise value	Median revenue multiple	2.25x

**America's Growth Capital, LLC**  
(d/b/a AGC Partners)

Notes to Financial Statements (Continued)

**FAIR VALUE MEASUREMENTS (concluded)**

Both observable and unobservable inputs may be used to determine the fair value of investments that the Company has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs.

The following table presents additional information about Level 3 investments measured at fair value.

Balance as of July 1, 2017	\$ 147,741
Proceeds from the sale of non-marketable investments	(36,539)
Net realized and unrealized gain	<u>116,007</u>
Balance as of June 30, 2018	<u>\$ 227,209</u>

There are no liabilities measured at fair value on a recurring basis, nor are there assets or liabilities measured at fair value on a non-recurring basis.

**6. CONCENTRATIONS OF CREDIT RISK**

Financial instruments which potentially subject the Company to such risk include cash, cash equivalents and accounts receivable which may exceed insured limits. The Company has not experienced losses associated with any such concentrations, and the financial statements do not include any reserves for such risks.

**7. COMMITMENTS AND CONTINGENCIES**

The Company leases its facilities under operating lease and sublease agreements expiring through December 2026. Deferred rent represents the cumulative difference between the recognition of rent expense on a straight-line basis over the life of the lease and the rent payments made.

**America's Growth Capital, LLC**  
(d/b/a AGC Partners)

Notes to Financial Statements (Continued)

**COMMITMENTS AND CONTINGENCIES (concluded)**

Future minimum lease payments required under operating lease agreements for the years ended June 30 are as follows:

2019	819,621
2020	1,031,025
2021	989,766
2022	1,000,059
2023	916,066
Thereafter	<u>2,322,495</u>

Total minimum lease payments \$ 7,079,032

Real estate leases that were entered into or renewed subsequent to year end, in 2019, have been reflected in the commitment schedule above.

In the normal course of business, the Company may enter into underwriting commitments. There are no transactions relating to such underwriting commitments that were open at June 30, 2018.

The Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, management expects the risk of loss to be remote.

Under the terms of one of the Company's office leases, the Company entered into an irrevocable standby letter of credit in the amount of \$106,927 for use as a security deposit. The standby letter of credit is secured by the Company's bank balance. The standby letter of credit will remain at its current level until the lease expires on February 28, 2026.

**8. REGULATORY NET CAPITAL REQUIREMENTS**

As a broker-dealer, the Company is subject to the Securities and Exchange Commission's ("SEC") regulations and operating guidelines, which require the Company to maintain a specified amount of net capital. Net capital may fluctuate on a daily basis. At June 30, 2018, the Company had net capital of \$4,835,306, which is \$4,585,306 in excess of its required net capital of \$250,000. The Company's net capital requirement is based on the Company's election to use the Alternative Standard calculation for determining its required net capital.

# America's Growth Capital, LLC

(d/b/a AGC Partners)

## Notes to Financial Statements (Concluded)

### 9. RELATED PARTY TRANSACTIONS

The Company enters into transactions with its Parent, members and employees. The Company has amounts due from Parent, members and employees totaling \$1,914,111 at June 30, 2018, which is made up of \$285,566 for tax payments made on behalf of members of its Parent, \$1,622,111 for advances made on behalf of its Parent to America's Growth Capital Europe, LLP, a wholly-owned subsidiary of Parent, related to start-up costs and working capital advances and \$6,434 for payments made on behalf of employees for advances related to fringe benefits and insurance premiums.

### 10. 401(k) PROFIT SHARING PLAN

The Company sponsors a 401(k) profit sharing plan (the "Plan") offered to substantially all of its employees. The Company made no contribution to the Plan for the year ended June 30, 2018.

### 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 14, 2018, which is the date the financial statements were available to be issued. Other than as described in Note 7, there were no subsequent events that require adjustment to or disclosure in the financial statements.