

SEC Mail Process



RMS

NOV 07 2018

SE

18010031

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

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

SEC FILE NUMBER
8-68060

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 10/01/2017 AND ENDING 09/30/2018  
MM/DD'YY MM/DD'YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Capital Synergy Partners, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4400 Mac Arthur Blvd., Suite 850

(No. and Street)

Newport Beach

CA

92660

(City)

(State)

(Zip Code)

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

William Rapp

949-442-7413

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Brian W. Anson, CPA

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

18401 Burbank Blvd #120

Tarzana

CA

91356

(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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, William Rapp, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Capital Synergy Partners, Inc., as of September 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

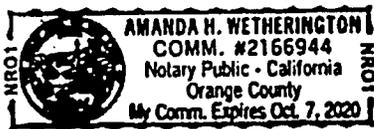
William Rapp  
Signature  
PRESIDENT  
Title

Amanda H. Wetherington 10-26-2018  
Notary Public Orange, CA

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).



**BRIAN W. ANSON**

*Certified Public Accountant*

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholder's and Board of Directors of Capital Synergy Partners, Inc.

**Opinion on the Financial Statements**

I have audited the accompanying statement of financial condition of Capital Synergy Partners, Inc. as of September 30, 2018, the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of Capital Synergy Partners, Inc. as of September 30, 2018, 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 Capital Synergy Partners, Inc.'s management. My responsibility is to express an opinion on Capital Synergy Partners, Inc.'s financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Capital Synergy Partners, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

**Supplemental Information**

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. My 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 my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson, CPA

I have served as Capital Synergy Partners, Inc.'s auditor since 2015.

Tarzana, California

October 26, 2018

**Capital Synergy Partners, Inc.**  
**Statement of Financial Condition**  
**September 30, 2018**

**Assets**

<b>Cash</b>		
	Checking	\$11,775
	<b>Total Cash</b>	11,775
	Accounts receivable	1,266
	Accrued Income	38,451
	Clearing Broker Deposit	50,000
	Prepaid expenses	8,927
	Property and equipment net of depreciation of \$2,866	904
	<b>Total Assets</b>	\$111,323

**Liabilities and Shareholder's Equity**

<b>Liabilities</b>		
	Due to Related Party	\$535
	Accrued liabilities	8,618
	Commission payable	45,596
	<b>Total Liabilities</b>	54,749
<b>Shareholder's Equity</b>		
	Common stock (\$1 par value, 100,000 shares authorized; 8602 shares issued and outstanding)	8,602
	Paid in capital	359,608
	Retained deficit	(311,636)
	<b>Total Shareholder's Equity</b>	56,574
	<b>Total Liabilities and Shareholder's Equity</b>	\$111,323

See Accompanying Notes to Financial Statements

**Capital Synergy Partners, Inc.**  
**Statement of Operations**  
**For the Year Ended September 30, 2018**

<b>Revenues</b>	
Commissions	\$2,334,310
Other	1,800
Interest	19,425
<b>Total Revenues</b>	<u>\$2,355,535</u>
<b>Expenses</b>	
Clearing Charges	51,924
Commission expense	2,000,811
FINRA fees and licenses/SIPC	32,309
Insurance	45,872
Meals & entertainment	9,422
Payroll tax	11,244
Postage and delivery	6,382
Professional services	96,538
Rent	18,000
Salaries	122,831
Telephone	2,601
Miscellaneous	5,070
<b>Total Operating Expenses</b>	<u>2,403,004</u>
<b>Loss Before Tax Provision</b>	(47,469)
<b>Income Tax Provision</b>	800
<b>Net Loss</b>	<u><u>(\$48,269)</u></u>

See Accompanying Notes to Financial Statements

**Capital Synergy Partners, Inc.**  
**Statement of Changes in Shareholder's Equity**  
**For the Year Ended September 30, 2018**

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Deficit	Total Equity
Balance, September 30, 2017	8,602	\$8,602	\$359,608	(\$263,367)	\$104,843
Net Loss				(48,269)	(48,269)
Balance, September 30, 2018	<u>8,602</u>	<u>\$8,602</u>	<u>\$359,608</u>	<u>(\$311,636)</u>	<u>\$56,574</u>

See Accompanying Notes to Financial Statements

**Capital Synergy Partners, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2018**

<b>Cash Flows from Operating Activities:</b>	
Net Loss	(\$48,269)
Depreciation Expense	\$146
Changes in operating assets and liabilities:	
Accounts receivable	553
Prepaid expenses	471
Accrued Income	(38,451)
Accounts payable	(2,800)
Due to related party	535
Accrued liabilities	(4,118)
Commission payable	<u>20,796</u>
<b>Net cash used in operating activities</b>	<b>(71,137)</b>
<b>Cash Flows from Investing Activities:</b>	
Purchase of fixed assets	<u>(1,050)</u>
<b>Net cash used in investing activities</b>	<b>(1,050)</b>
<b>Net decrease in cash</b>	<b>(72,187)</b>
<b>Cash at beginning of year</b>	<b>83,962</b>
<b>Cash at end of year</b>	<b><u><u>\$11,775</u></u></b>
<b>Supplemental Information of cash flow information:</b>	
Tax	\$800
Interest paid	\$0

See Accompanying Notes to Financial Statements

**Capital Synergy Partners, Inc.**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note 1 – Nature of Business**

Capital Synergy Partners, Inc. (CSP) is owned by Andrew A. Holden Family Trust and William Rapp. CSP is registered as a securities broker-dealer conducting a general securities business on a fully disclosed basis as an introducing broker-dealer. CSP provides its clients the ability to purchase and/or sell Mutual Funds, Equities, Bonds, Unit trusts or closed end funds, REITs, exchange traded funds, and Private Placements (Best Efforts only). CSP also offers direct placement products such as limited partnerships, variable life insurance, and variable annuities directly to the general public through registered representatives. CSP also maintains margin accounts and option accounts for its clients through its third party clearing firm RBC. The firm has a clearing deposit of \$50,000 with RBC.

**Note 2 – Significant Accounting Policies**

**Basis of Presentation** – The Company conducts the following types of business as a securities broker-dealer, which comprises several classes of services, including:

- Broker or dealer retailing corporate equity securities over-the-counter
- Broker or dealer selling corporate debt securities
- Mutual fund retailer
- U.S. government securities broker
- Municipal securities dealer
- Broker or dealer selling variable life insurance or annuities
- Broker or dealer selling oil and gas interests
- Put and call broker or dealer or option writer
- Investment advisory services
- Broker or dealer selling tax shelters or limited partnerships in primary distributions
- Broker or dealer selling tax shelters or limited partnerships in the secondary market
- Non-exchange member arranging for transactions in listed securities by exchange member
- Private placements of securities

Under its membership agreement with FINRA and pursuant to SEC Rule 15c3-3 (k)(2)(ii) (the Customer Protection Rule), CSP conducts business on a fully disclosed basis clearing all transactions through its clearing firm. CSP will not hold customer funds or safe keep customer securities. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

**Use of Estimates** - The preparation of 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Capital Synergy Partners, Inc.**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note 2 – Significant Accounting Policies (continued)**

**Commission Income** – Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur. Commission on variable insurance products are recorded when earned.

**Income Taxes** – The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

**Property and Equipment** – Acquisitions of property and equipment of \$1,000 or more are capitalized. Property and equipment are stated at cost and depreciation or amortization is computed when assets are placed in service using the straight-line method over estimated useful lives of 3 to 10 years.

**Compensated Absences** – Accumulated paid time off is accrued when incurred.

**Note 3 – Fair Value**

FASB ASC 820 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 access.

**Capital Synergy Partners, Inc.**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note 3 – Fair Value (continued)**

- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

There are no assets or liabilities to measure at September 30, 2018.

**Note 4 – Related Party**

The Company is subleasing its premises from an affiliated company on a month to month basis in the amount of \$1,500. The Company also pays a Month Service Fee from Commission Accounting (\$15 per hour) and IT Services (\$20 per hour). The Company paid \$24,420 to the related party for the year ended September 30, 2018. At September 30, 2018, The Company owed related party \$535.

**Note 5 - Concentration of Credit Risk**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 6 – Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At September 30, 2018, the Company had net capital of \$45,476 which was \$40,476 in excess of its required net capital of \$5,000. The Company's net capital ratio was 1.2 to 1.

**Capital Synergy Partners, Inc.**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note 7– Income Taxes**

The Components of the Company’s deferred tax assets/liabilities are as follows:

Deferred tax assets:	
Net operating loss carryforwards	<u>\$34,886</u>
Deferred tax assets before	
Valuation allowance	34,886
Valuation allowance	<u>(34,886)</u>
Net deferred tax assets	<u>\$ 0</u>

The Company has a net operating loss to be carried forward of approximately \$99,000 is set to expire September 30, 2024 and \$48,000 set to expire September 30, 2038.

The current portions of the income tax expense (benefit) included in the statement of operations as determined in accordance with FASB ASC 740 are as follows:

Federal	\$ 0
State	\$ 800

The Company is subject to audit by the taxing agencies for years ending September 30, 2015, 2016 and 2017.

**Note 8 – Exemption from the SEC Rule 15c3-3**

The Company is an introducing broker-dealer that clears all transactions with and for customers on a fully disclosed basis with an independent securities clearing company and promptly transmits all customer funds and securities to the clearing company, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of the SEC Rule 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer

**Note 9 – Subsequent Events**

The management has reviewed the results of operations for the period of time from its year end September 30, 2018 through October 26, 2018 the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**Capital Synergy Partners, Inc.**  
**Schedule I – Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**For the Year Ended September 30, 2018**

<b>Computation of Net Capital</b>	
Total ownership equity from statement of financial condition	\$56,574
Non-allowable assets:	
Accounts receivable	1,266
Prepaid expenses	8,927
Fixed Assets	904
Total Non-allowable assets	<u>11,097</u>
Net Capital	\$45,477
<b>Computation of Net Capital Requirements</b>	
Minimum net aggregate indebtedness -6.66% of net aggregate indebtedness	<u>\$3,650</u>
Minimum dollar net capital required	<u>\$5,000</u>
Net Capital required (greater of above amounts)	<u>\$5,000</u>
Excess Capital	<u>\$40,477</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$40,001</u>
<b>Computation of aggregate Indebtedness</b>	
Total liabilities	<u>\$54,749</u>
Percentage of aggregate indebtedness to net capital	120%

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

<b>Net Capital per Company's Computation</b>	
Unaudited net capital	\$45,477
Unrecorded liabilities	0
Rounding error	0
Audit adjustment	0
Audited Net Capital	<u>\$45,477</u>

There were no reported difference between the audit and Focus filed at September 30, 2018

See Accompanying Notes to Financial Statements

**Capital Synergy Partners, Inc.**  
**Schedule II – Computation for Determination of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of September 30, 2018**

A computation of reserve requirement is not applicable to Capital Synergy Partners, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

**Capital Synergy Partners, Inc.**  
**Schedule III – Information Relating to Possession or Control**  
**Requirements Under Rule 15c3-3**  
**As of September 30, 2018**

Information relating to possession or control requirements is not applicable to Capital Synergy Partners, Inc. as the Company qualifies for exemption under Rule 15c3 (k) (2) (ii).

## Assertions Regarding Exemption Provisions

We, as directors of management of Capital Synergy Partners, Inc. ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(ii).

### Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision without exception throughout the period ending October 1, 2017 through September 30, 2018.

Capital Synergy Partners, Inc.

By: 

WILLIAM G. RAPP, PRESIDENT  
(Name and Title)

10-26-18  
(Date)

**BRIAN W. ANSON**

*Certified Public Accountant*

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

**REPORT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

Board of Directors  
Capital Synergy Partners, Inc.  
Newport Beach, California

I have reviewed management's statements, included in the accompanying Exemption Report in which (1) Capital Synergy Partners, Inc., identified the following provisions of 17 C.F.R. §15c3-3(k) under which Capital Synergy Partners, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provision") and (2) Capital Synergy Partners, Inc., stated that Capital Synergy Partners, Inc., met the identified exemption provision throughout the most recent fiscal year without exception Capital Synergy Partners, Inc.'s management is responsible for compliance with the exemption provision and its statements.

My 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 Capital Synergy Partners, Inc.'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, I do not express such an opinion.

Based on my review, I am 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.



Brian W. Anson  
Certified Public Accountant  
Tarzana, California  
October 26, 2018