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

SEC FILE NUMBER
8-42622

Washington, DC

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 BEGINING JANUARY 1, 2018 AND ENDING DECEMBER 31, 2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER: **ENERECAP PARTNERS LLC**

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

**1718 PEACHTREE STREET, NW, SUITE 900**

(No. and Street)

**ATLANTA**

(City)

**GA**

(State)

**30309**

(Zip Code)

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

**CHRISTOPHER EDMONDS**

**404-973-2780**

(Area Code - Telephone No.)

**B. ACCOUNTANT DESIGNATION**

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

**OHAB AND COMPANY, PA**

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

**100 E. SYBELIA AVENUE, SUITE 130, MAITLAND**

(Address and City)

**FLORIDA**

(State)

**32751**

(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 audit 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).

Potential persons who are to respond to the collection of information contained in this form are required to respond unless the form displays a current valid OMB control number.

SEC 1410 (06-02)

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OATH OR AFFIRMATION

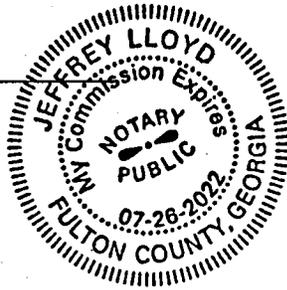
I, CHRISTOPHER EDMONDS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm or ENERECAP PARTNERS LLC, as of DECEMBER 31, 2018 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

*Christopher Edmonds*  
Signature

CEO  
Title

*Jeffrey Lloyd*  
Public Notary



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 Proprietor's 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 15c3-1.
- (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).

**Enerecap Partners, LLC**  
(A LIMITED LIABILITY COMPANY)

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FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2018  
AND INDEPENDENT AUDITORS' REPORT

**Enerecap Partners, LLC**  
(A LIMITED LIABILITY COMPANY)

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Under Rule 15c3-1 of the Securities and Exchange Commission	



# **Ohab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

*Certified Public Accountants*  
Email: [pam@ohabco.com](mailto:pam@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members'  
of Enerecap Partners, LLC

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Enerecap Partners, LLC as of December 31, 2018, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Enerecap Partners, LLC as of December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

This financial statement is the responsibility of Enerecap Partners, LLC's management. Our responsibility is to express an opinion on Enerecap Partners, LLC'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 Enerecap Partners, 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 statement is 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 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 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.

*Ohab and Company, P.A.*

We have served as Enerecap Partners, LLC's auditor since 2013.

Maitland, Florida

January 21, 2019

**Enerecap Partners, LLC**  
**(A LIMITED LIABILITY COMPANY)**

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**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2018**

**ASSETS**

**CURRENT ASSETS:**

Cash	\$	67,873
Accounts Receivable		3,638
Total Assets	\$	<u>71,511</u>

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses (related party)	\$	29,456
Due to Parent		<u>1,896</u>

Total Liabilities 31,352

**MEMBERS' EQUITY**

40,159

Total Liabilities and members' equity	\$	<u>71,511</u>
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See Independent Auditors' Report and  
Notes to Financial Statements.

# Enerecap Partners, LLC

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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### **NOTE 1 - Summary of Significant Accounting Policies**

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#### ***Nature of Operations***

In accordance with the Purchase and Sale Agreement ("PSA") dated August 15, 2012, and executed by and between CSG Holdings, LLC ("Holdings") and ERC Holding Corp. ("ERC"), a Delaware corporation, ERC owns 100% of the membership interests of the Company effective January 1, 2013.

During January 2013 the Name was changed from Commerce Square Trading, LLC to Enerecap Partners, LLC (the "Company"). The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company is a Delaware corporation formed on December 31, 2008 and is a wholly-owned subsidiary of ERC Holding Corp. (the "Parent").

The Company upon closing of the above-referenced acquisition has not initiated new revenue activities. As a result, all revenue received during 2018 is legacy trail fees from hedge funds and commissions received from 12b1 as a result of the activities that occurred prior to purchase by ERC. Enerecap Partners, LLC has been approved for proprietary research, although no revenue was generated or recognized during 2018.

#### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Company maintains its cash balances in an area bank. Cash balances are insured up to \$250,000 per bank by the FDIC or, in the case of credit union deposits, the NCUA.

#### ***Reserves and Custody of Securities***

The Company currently does not have any customer accounts or Custody of any customer assets.

#### ***Commission Revenue***

The Company earns revenue from legacy trail fees from hedge funds and 12b-1 fees, both of which are related to performance obligations that have been satisfied in prior periods.

#### ***Income Taxes***

The Company is a limited liability company and is treated as a partnership for federal and state income tax purposes. The Company does not recognize any tax liability or assets, deferred or current, on the financial statements. The taxable income of the Company is included in the consolidated income tax return of its Parent. The Parent assumes responsibility for all income taxes; therefore, no provision for income taxes is included and there are no uncertain tax positions recognized by the Company.

#### ***Uncertain tax positions***

The Company has adopted FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Company will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by a taxing authority. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

# Enerecap Partners, LLC

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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### **NOTE 1 - Summary of Significant Accounting Policies (continued)**

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#### *Uncertain tax positions (continued)*

The Company's evaluation on December 31, 2018 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2014 through 2017 tax years remain subject to examination by the IRS and State of New York. The Company does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

#### *Recently Adopted Accounting Guidance*

Effective January 1, 2018, the Company adopted ASU 2014-09, which provides guidance on the recognition of revenues from contracts and requires gross presentation of certain contract costs. This change was applied prospectively from January 1, 2018, and there was no impact on our previously presented results. The adoption of the new revenue standard resulted in no change to beginning members' equity.

#### *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 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.

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### **NOTE 2 - Net Capital Requirements**

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The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum amount of 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 net capital ratio after such withdrawals or payments would exceed 10 to 1. The Company had net capital of \$36,521 and excess capital of \$31,521 as of December 31, 2018, a net capital requirement of \$5,000, and a percentage of aggregate indebtedness to net capital of 85.85%.

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### **NOTE 3 - Related Party Transactions**

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The Company is wholly owned by ERC Holding Corp; The Parent assumes responsibility for all income tax liabilities.

During the year ended December 31, 2018, pursuant to a Services agreement between the Company and the Parent, the Company recorded an administrative fee expense of \$17,400.

The amount due to the Parent as of December 31, 2018 was \$1,896 relating to expenses recorded by the Company and paid by the Parent. Expenses paid by the parent in addition to the administrative fees were \$19,572 for the year ended December 31, 2018 and are included in various expenses in the statement of operations.

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### **NOTE 4 – Commitments and Contingencies**

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The Company does not have any commitments or contingencies.

## **Enerecap Partners, LLC**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE 5 - Subsequent Events**

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The Company has evaluated subsequent events through January 21, 2019 which is the date that the financial statements were approved and available to be issued. No subsequent events were noted.



# **ohab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

*Certified Public Accountants*  
Email: [pam@ohabco.com](mailto:pam@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members'  
of Enerecap Partners, LLC

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

*Ohab and Company, P.A.*

Maitland, Florida

January 21, 2019



ERC Holding Corp.  
1718 Peachtree Street, NW  
Suite 900  
Atlanta GA 30309

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Christopher S. Edmonds  
Chief Executive Officer  
404.973.2780 Direct  
[cedmonds@enerecap.com](mailto:cedmonds@enerecap.com)

January 16, 2019

To Whom it May Concern:

**Exemption Report Pursuant to Securities and Exchange Commission Rule 17a-5(d)(4)**

Enerecap Partners, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers").

This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(i)
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k)(2)(i) throughout the most recent fiscal year without exception.

ENERECAP PARTNERS, LLC

I, Christopher Edmonds, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

Christopher S. Edmonds

A handwritten signature in black ink, appearing to read "Chris Edmonds", written over a horizontal line.

Chief Executive Officer  
Managing Partner  
Enerecap Partners, LLC

Prepared: 16 January 2019