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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

FEB 25 2019

SEC FILE NUMBER  
8-68238

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/2018 AND ENDING 12/31/2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: China eCapital Partners, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
11150 Santa Monica Blvd., Suite 450

FIRM I.D. NO.

Los Angeles (No. and Street) CA 90025  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Dan Chen 310-861-2100  
(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 (11-05)

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RMS

Los Angeles  
California 1/24-2019

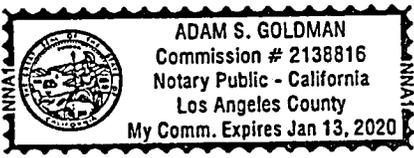
OATH OR AFFIRMATION

I, Daniel Kosho Chen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of China eCapital Partners, LLC, as of December 31, 20 18, 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:

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

[Signature]  
Signature  
Managing Director  
Title

[Signature]  
Notary Public Adam S. Goldman



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (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)

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FEB 25 2019

Washington, DC

**BRIAN W. ANSON**

*Certified Public Accountant*

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

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders' and Board of Members of China eCapital Partners, LLC

**Opinion on the Financial Statements**

I have audited the accompanying statement of financial condition of China eCapital Partners, LLC as of December 31, 2018, the related statements of operations, changes in members' 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 China eCapital Partners, LLC as of December 31, 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.

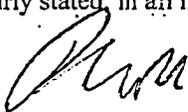
**Basis for Opinion**

These financial statements are the responsibility of China eCapital Partners, LLC's management. My responsibility is to express an opinion on China eCapital Partners, LLC'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 China eCapital 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.

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

Certified Public Accountant

I have served as China eCapital Partners, LLC's auditor since 2010.

Tarzana, California

January 25, 2019

CHINA ECAPITAL PARTNERS, LLC

Statement of Financial Condition  
December 31, 2018

ASSETS

Cash	\$ 728,777
Accounts receivable	16,220
Fixed assets, net of accumulated depreciation of \$128,664	9,843
Other Assets	14,689
Total assets	<u>769,529</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Accounts payable	\$ 100,785
Accrued payroll	9,216
Total liabilities	<u>110,001</u>

MEMBERS' EQUITY:

Members' equity	<u>659,528</u>
Total members' equity	<u>659,528</u>
Total liabilities and member's equity	<u>\$ 769,529</u>

CHINA ECAPITAL PARTNERS, LLC

Statement of Operations  
For the year ended December 31, 2018

REVENUES:

Advisory fees	\$70,000
Other income	146,789
Total income	<u>\$216,789</u>

EXPENSES:

Business development	168,905
Depreciation	10,724
Insurance	57,100
Office expense	47,453
Professional fees	123,663
Rent	118,643
Salaries and wages	901,433
Travel and entertainment	17,573
Other general and administrative expenses	253,415
Total expenses	<u>1,698,909</u>

LOSS BEFORE INCOME TAXES (1,482,120)

INCOME TAX PROVISION (Note 3)

Income tax expense	<u>800</u>
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NET LOSS \$ (1,482,920)

CHINA ECAPITAL PARTNERS, LLC

Statement of Changes in Members' Equity  
For the year ended December 31, 2018

	Beginning Members' Equity	Capital Contributions Withdrawals	Total Members' Equity
Beginning balance January 1, 2018	\$ 442,448	\$ -	\$ 442,448
Capital contributions		1,700,000	1,700,000
Net loss	(1,482,920)	-	(1,482,920)
Ending balance December 31, 2018	\$ (1,040,472)	\$ 1,700,000	\$ 659,528

CHINA ECAPITAL PARTNERS, LLC

Statement of Cash Flows  
For the year ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (1,482,919)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	10,724
(Increase) decrease in:	
Accounts receivable	196,780
Other assets	(1,610)
Increase (decrease) in:	
Accounts payable	(23,492)
Accrued payroll	9,216
Total adjustments	<u>191,618</u>
Net cash used in operating activities	<u>(1,291,301)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital contributions	<u>1,702,999</u>
Net cash provided by financing activities	<u>1,702,999</u>
Increase in cash	411,698
Cash-beginning of period	317,079
Cash-end of period	<u>\$ 728,777</u>

Supplemental disclosure of cash flow information

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ 7,600

CHINA ECAPITAL PARTNERS, LLC  
Notes to Financial Statements  
For the year ended December 31, 2018

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

China eCapital Partners, LLC, (the "Company"), was formed in March, 2017, in the State of California as a limited liability company. The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC"). The Company is authorized to engage in private placements of securities and merger and acquisition advisory services. The Company does not hold customer funds or safeguard customer securities.

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue is recognized upon completion of a project. Recent accounting standards as to revenue recognition impact most industries including broker-dealers. The complex arrangements between broker-dealers and their clients pose difficult issues for the new standards, effective in 2019 for calendar reporting non-public entities. The Company believes that its current practices are in conformity with such requirements, albeit industry task forces continue to research specific accounting issues within these standards. 100% of the revenues during the year was from one client.

Property and equipment are stated at cost. Purchases over \$1,000 are capitalized. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized. Property and equipment are depreciated over their estimated useful lives of five (5) to forty (40) years by the straight-line method.

Accounts receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

The Company, with the consent of its Members, has elected to be a Limited Liability Company. For tax purposes, the Company is treated like a partnership, therefore in lieu of business income taxes, the Members are taxed on the Company's taxable income. Accordingly, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar treatment, although there exists a provision for a minimum Franchise Tax of \$800 plus a fee based upon gross receipts.

The Company is subject to audit by the taxing authorities for years ending December 31, 2015, 2016, and 2017.

The management has reviewed the results of operations for the period of time from its year end December 31, 2018 through January 25, 2019 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.

CHINA ECAPITAL PARTNERS, LLC  
Notes to Financial Statements  
For the year ended December 31, 2018

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritized 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 liability or, in the absence of a principal market, the most advantageous market for the asset or liability. 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.

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 were no levels to measure at December 31 2018.

Note 2: ASC 606 REVENUE RECOGNITION

Revenue

A. Significant accounting policy

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfied a performance obligation by transferring control over a product or service to a customer.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

B. Nature of services

The following is a description of activities – separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)”; from which the Company generates its revenue. For more detailed information about reportable segments, see below

CHINA ECAPITAL PARTNERS, LLC  
Notes to Financial Statements  
For the year ended December 31, 2018

Fees earned: This includes fees earned from affiliated entities; investment banking fees, M&A advisory; account supervision and investment advisory fees; administrative fees, revenue from research services; rebates from exchanges/ECN and ATS; 12b-1 fees; Mutual fund fees other than concessions or 12b-1 fees; execution service fees; clearing services; fees earned from customer bank sweep into FDIC insured products or from '40Act companies and networking fees from '40 Act companies.

Other revenue

## 2. Changes in Accounting Policy:

The Company adopted Topic 606 "Revenue from Contracts with Customers" with a date of January 1, 2018. As a result, it has changed its accounting policy for revenue recognition as detailed below.

The Company applied Topic 606 using the cumulative effect method – i.e. by recognizing the cumulative effect of initially applying Topic 606 as an adjustment to the opening balance of equity at January 1, 2018. This was immaterial. Therefore, any prior reporting information has not been adjusted and continues to be reported under Topic 606. The details of the significant changes and quantitative impact of the changes are set out below.

Advisory services contracts for public and corporate finance activities may contain a variety of promised goods and services. The Company may be engaged to assist its client may promise due diligence services, pre-transaction structuring advice, fairness opinion and finding prospective buyers. The Company will need to determine whether each promised good or service is capable as being distinct and distinct in the context of the contract because they are an input to the combined output of selling the business. The Company will apply significant judgement to identify the performance obligations and different conclusions may be reached based upon the specific terms and conditions of the contract. Many contracts contain variable considerations (e.g. success fees). The amount of variable consideration the Company can include will be limited to the amount for which it is probable that a significant revenue reversal will not occur when the uncertainties related to the variability are resolved. The Company will recognize the consideration allocated to specific performance obligations when, or as, those performance obligations are satisfied. Retainer fees (nonrefundable), announcement fees and success fees would not be recognized until the performance obligation has been satisfied (such as the close of sale). This may result in a change in the timing of recognition of the retainer fee compared to current practice prior to the adoption of Topic 606.

CHINA ECAPITAL PARTNERS, LLC  
Notes to Financial Statements  
For the year ended December 31, 2018

Note 3: PROPERTY AND EQUIPMENT, NET

Property and equipment are recorded at cost and summarized by major classifications as follows:

Computer hardware	\$ 59,719
Furniture and equipment	<u>78,788</u>
	138,507
Less accumulated depreciation	<u>(128,664)</u>
Fixed assets, net	<u>\$ 9,843</u>

For the year ended December 31, 2018, depreciation expense was \$10,724.

Note 4: INCOME TAXES

The Company is subject to a limited liability company gross receipts fee and a minimum franchise tax of \$800. At December 31, 2018, the Company was subject to the minimum franchise tax of \$800.

Note 5: COMMITMENTS AND CONTINGENCIES

On November 1, 2017 the Company entered into a new operating lease at a new location covering its offices through October 31, 2020. The new rent was a significant reduction from the prior office space. Minimum future rental commitments are:

<u>Year Ending</u>	<u>Amount</u>
December 31, 2019	\$137,440
December 31, 2020	<u>118,900</u>
	\$256,340

Rent expense for year ended December 31, 2018 was \$ 118,643.

Note 6: NET CAPITAL

The Company is subject to the Securities and Exchange Commission 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. Net capital and aggregate indebtedness change day to day, but on December 31, 2018 the Company had net capital of \$618,776, which was \$611,443 in excess of its required net capital of \$7,333; and the Company's ratio of aggregate indebtedness \$110,001 to net capital was 0.18 to 1, which is less than the 15 to 1 maximum ratio allowed for a broker dealer.

CHINA ECAPITAL PARTNERS, LLC

Statement of Net Capital  
 Schedule I  
 For the year ended December 31, 2018

	Focus 12/31/18	Audit 12/31/18	Change
Members' equity, December 31, 2018	\$ 659,528	\$ 659,528	\$ -
Subtract - Non allowable assets:			
Accounts receivable	16,220	16,220	
Fixed assets	9,843	9,843	-
Other assets	14,689	14,689	-
Tentative net capital	<u>618,776</u>	<u>618,776</u>	-
Haircuts	0	0	-
NET CAPITAL	<u>618,776</u>	<u>618,776</u>	-
Minimum net capital	7,333	7,333	-
Excess net capital	<u>\$ 611,443</u>	<u>\$ 611,443</u>	-
Aggregate indebtedness	110,001	110,001	-
Ratio of aggregate indebtedness to net capital	0.18%	0.18%	

There were no recorded differences between the audit and Focus at December 31, 2018.

CHINA ECAPITAL PARTNERS, LLC

Schedule II  
Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
December 31, 2018

The Company is exempt from the Reserve Requirement of computation according to the provision of Rule 15c3-3(k)(2)(i).

Schedule III  
Information Relating to Possession or Control  
Requirements Under Rule 15c3-3  
December 31, 2018

The Company is exempt from the Rule 15c3-3 as it relates to possession and Control requirements under the (k)(2)(i) exemptive provision.

## Assertions Regarding Exemption Provisions

We, as members of management of China eCapital Partners, LLC (“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)(i).

### Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision without exception throughout the period ending January 1, 2018 through December 31, 2018.

China eCapital Partners, LLC

By:



Daniel Chen, Managing Director  
(Name and Title)

January 25, 2019

(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 Members  
China eCapital Partners, LLC  
Los Angeles, California

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



Brian W. Anson  
Certified Public Accountant  
Tarzana, California  
January 25, 2019

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Washington, DC

CHINA ECAPITAL PARTNERS, LLC

FINANCIAL STATEMENTS  
AND  
ACCOMPANYING SUPPLEMENTARY INFORMATION

REPORT PURSUANT TO SEC RULE 17a-5(d)

FOR THE YEAR ENDED  
DECEMBER 31, 2018

CHINA ECAPITAL PARTNERS, LLC

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