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

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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 01/01/2018 AND ENDING 12/31/2018
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LIBERTY CAPITAL INVESTMENT CORP.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1800 SW FIRST AVENUE, SUITE 150

(No. and Street)

PORTLAND

OREGON

97201-5333

(City)

(State)

(Zip Code)

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

GARY F. PURPURA 503/225-9393

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

DUANE LIEBSWAGER, C.P.A., PC

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

15405 SW 116TH AVENUE, SUITE 112 KING CITY

OREGON

97224

(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)

RMS

OATH OR AFFIRMATION

I, GARY F. PURPURA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LIBERTY CAPITAL INVESTMENT CORP. 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:

SEC Mail Processing, as of FEB 27 2019

Washington, DC

[Handwritten Signature]

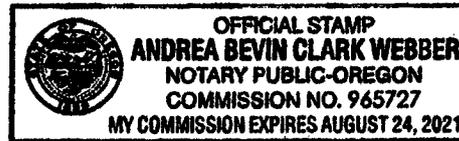
Signature

PRESIDENT

Title

[Handwritten Signature]

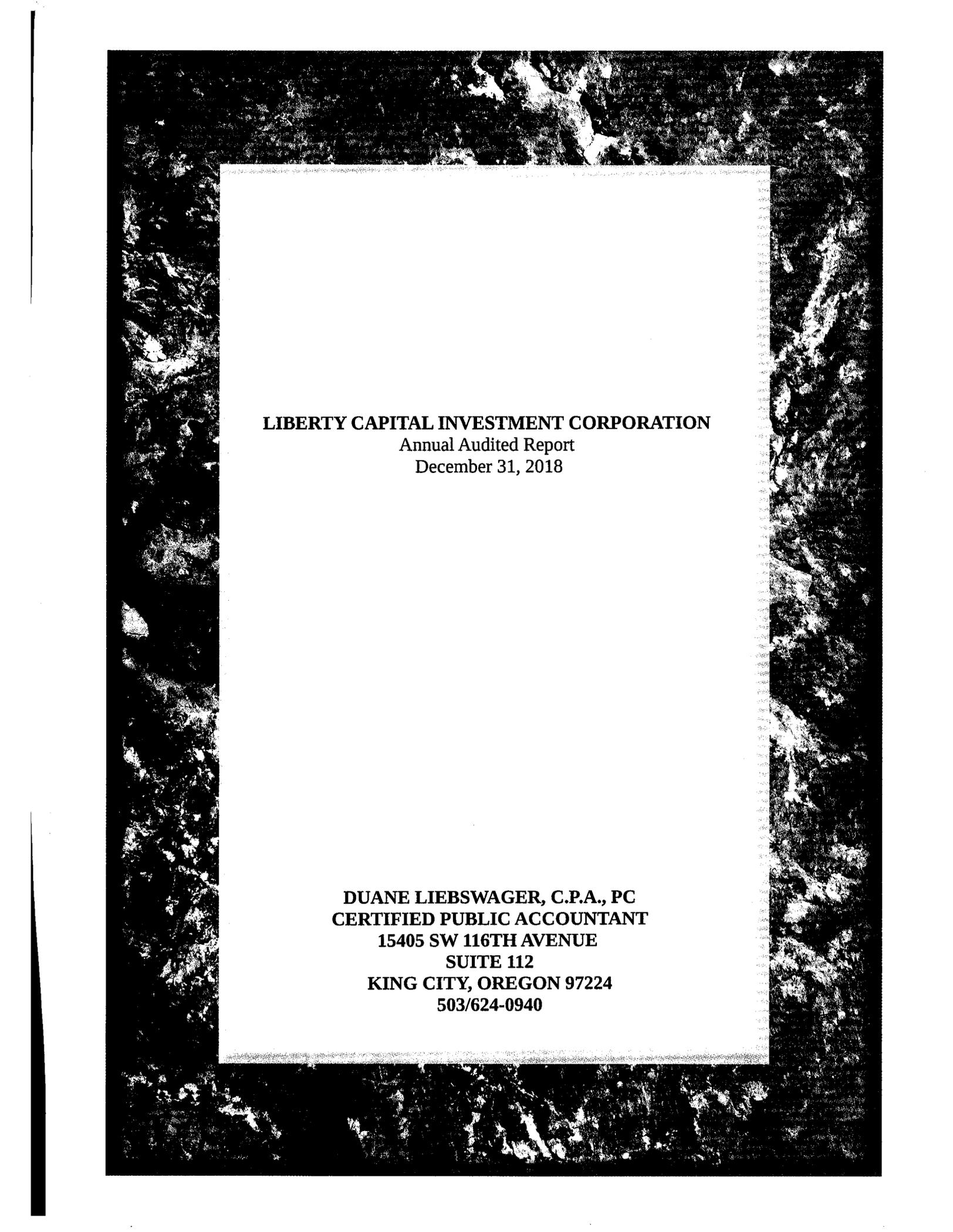
Notary Public



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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) 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).



LIBERTY CAPITAL INVESTMENT CORPORATION

Annual Audited Report
December 31, 2018

**DUANE LIEBSWAGER, C.P.A., PC
CERTIFIED PUBLIC ACCOUNTANT
15405 SW 116TH AVENUE
SUITE 112
KING CITY, OREGON 97224
503/624-0940**

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

DUANE LIEBSWAGER, C.P.A., PC

70

ADDRESS

15405 SW 116TH AVE. SUITE 112 71 KING CITY 72 OR. 73 97224 74
 Number and Street City State Zip Code

CHECK ONE

- Certified Public Accountant 75
- Public Accountant 76
- Accountant not resident in United States
or any of its possessions 77

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Duane Liebswager, CPA P.C.

Certified Public Accountant

15405 SW 116th Avenue, Suite 112
King City, OR 97224

Duane G. Liebswager

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and board of directors
Liberty Capital Investment Corporation

Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Liberty Capital Investment Corporation as of December 31, 2018, and the related statement of income, changes in stockholders' equity, 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. In my opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Liberty Capital Investment Corporation as of December 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Liberty Capital Investment Corporation's management. My responsibility is to express an opinion on Liberty Capital Investment Corporation'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 the Company in accordance with 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 Public Company Accounting Oversight Board. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, 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 well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Supplemental Information

The supplemental schedule of computation of net capital under Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of Liberty Capital Investment Corporation's financial statements. The supplementary information is the responsibility of 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, the supplemental schedule of computation of net capital under Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Duane Liebswager CPA P.C.

Duane Liebswager C.P.A., PC
Certified Public Accountant

I have served as Liberty Capital Investment Corporation's auditor since 2009

Portland, Oregon

February 21, 2019

FINANCIAL STATEMENTS
LIBERTY CAPITAL INVESTMENT CORPORATION
STATEMENT OF FINANCIAL CONDITION
December 31, 2018

	<u>2018</u>
ASSETS	
Cash and cash equivalents	\$94,588
Receivables from broker dealers	0
Receivables – Other	8,828
Inventory positions at clearing Corporation	293,817
Deposits with clearing organizations	25,136
Furniture, equipment at cost – net of accumulated depreciation of \$22,208	4,050
Prepaid expenses	<u>18,332</u>
TOTAL ASSETS	<u>\$444,751</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Accounts payable and accrued liabilities	\$79,627
Deferred income taxes	<u>5,050</u>
TOTAL LIABILITIES	<u>84,677</u>
STOCKHOLDERS' EQUITY	
Common stock, no par value 7,300 shares issued	16,564
Additional paid-in capital	10,116
Retained earnings	<u>333,394</u>
Total stockholders' equity	<u>360,074</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$444,751</u>

See accompanying notes and accountant's audit report.

LIBERTY CAPITAL INVESTMENT CORPORATION

STATEMENT OF INCOME

For the Year Ended December 31, 2018

	<u>2018</u>
REVENUE	
Commissions	\$240,315
Sale of investment company shares	27,833
Dividends and interest	8,443
Fee income	686,085
Other	13,877
Unrealized gains (losses) on securities	<u>(18,777)</u>
 Total revenue	 957,776
 EXPENSES	
Employee compensation and taxes	715,691
Commissions and floor brokerage	63,240
Regulatory fees and assessments	8,623
Communications	7,907
Occupancy and equipment rents	57,036
Professional fees	22,043
Other expenses	54,012
Depreciation	<u>663</u>
 Total expenses	 <u>929,215</u>
 NET INCOME BEFORE INCOME TAXES	 28,561
 INCOME TAXES	 <u>(10,691)</u>
 NET INCOME	 <u>\$17,870</u>

See accompanying notes and accountant's audit report.

LIBERTY CAPITAL INVESTMENT CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2018

<u>Common Stock</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at December 31, 2017	8,300	\$17,237	\$10,116	\$361,731	\$389,084
Net Income for the year				17,870	17,870
1000 shares stock buyback	<u>(1000)</u>	<u>(673)</u>		<u>(46,207)</u>	<u>(46,880)</u>
Balance at December 31, 2018	<u>7,300</u>	<u>\$16,564</u>	<u>\$10,116</u>	<u>\$333,394</u>	<u>\$360,074</u>

See accompanying notes and accountant's audit report.

LIBERTY CAPITAL INVESTMENT CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018

Increase (Decrease) in Cash and Cash Equivalents 2018

CASH FLOW FROM OPERATING ACTIVITIES

Cash received from operating activities	\$951,784
Cash paid to employees and suppliers	(925,843)
Dividends received	8,443
Income taxes	<u>(13,242)</u>
Net cash provided by operating activities	21,142

CASH FLOWS FROM INVESTING ACTIVITIES

Change in inventory positions	(8,308)
Purchase of equipment	<u>(4,400)</u>
Net cash provided by investing activities	(12,708)

CASH FLOW FROM FINANCING ACTIVITIES

Repurchase of company stock	<u>(46,880)</u>
Net cash used in financing activities	(46,880)
Net decrease in cash and cash equivalents	(38,446)
Cash and cash equivalents at beginning of year	<u>133,034</u>
Cash and cash equivalents at end of year	<u>\$94,588</u>

Reconciliation of net income to net cash provided by operating activities

Net income	\$17,870
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ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Amortization and depreciation	663
Unrealized loss	18,777

CHANGE IN ASSETS AND LIABILITIES

Receivables from brokers/dealers and other	(5,992)
Prepaid expenses, deposits	4,795
Accrued income taxes and accrued liabilities	<u>(4,400)</u>
Accounts payable	<u>(10,571)</u>
Total adjustments	<u>3,272</u>

Net cash provided by operating activities	<u>\$21,142</u>
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Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers cash on hand and cash in bank to be cash equivalent.

See accompanying notes and accountant's audit report.

LIBERTY CAPITAL INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management’s Review – Management has evaluated subsequent events through February 21, 2019, the date of which the financial statements were available to be issued.

General

Liberty Capital Investment Corporation was incorporated on October 1, 1989, in Oregon. The Company is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA), Municipal Securities Rulemaking Board (MSRB) and Securities Insurance Protection Corporation (SIPC).

Revenue Recognition

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers’ securities and commodities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

Commissions and related clearing expenses are recorded on a trade date basis as securities transactions occur.

Investments

Marketable securities are valued at fair value. The resulting difference between cost and fair value is included in income.

Fixed Assets

Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years.

Use of Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management makes estimates and assumptions which affect the reported amounts of assets and liabilities, 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.

NOTE B – RECEIVABLE FROM BROKERS, DEALERS AND CLEARING ORGANIZATIONS

Accounts receivable from brokers, dealers and clearing organizations result from the Company’s normal trading activities. The Company considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

NOTE C – INVENTORY POSITION AT CLEARING CORPORATION

Marketable securities owned at December 31, 2018, consist of investment securities at quoted market values.

Readily marketable (allowable):	
Corporate stocks	\$226,263
Stocks and bond mutual funds	<u>67,554</u>
	<u>\$293,817</u>

Fair Value Measurement at Reporting Date Using:

<u>Description</u>	<u>2018</u>	<u>Quoted Price in Active Markets For Identical Assets Level 1</u>
Available-for-sale securities	<u>\$293,817</u>	<u>\$293,817</u>
Total	<u>\$293,817</u>	<u>\$293,817</u>

NOTE D – FIXED ASSETS

Fixed assets include property and equipment. Useful lives of equipment range from 5 to 10 years. At December 31, 2018, fixed assets consist of:

Furniture and fixtures	\$24,728
Leasehold improvements	1,530
Less accumulated depreciation	<u>(22,208)</u>
	<u>\$4,050</u>

Depreciation expense was \$663 for the year ended December 31, 2018.

NOTE E – CAPITAL STOCK

Capital stock at December 31, 2018 consists of:

20,000 shares of no par value common stock authorized, 7,300 issued and outstanding	<u>\$16,564</u>
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NOTE F – INCOME TAXES

The Company is no longer subject to federal or state examinations by taxing authorities for years before 2015, generally for three years after they were filed.

	<u>Deferred</u>	<u>Current</u>	<u>Total</u>
Federal	(\$3,200)	\$11,065	\$7,865
State	(\$1,200)	4,026	2,826
Total Provision	<u>(\$4,400)</u>	<u>\$15,091</u>	<u>\$10,691</u>

Deferred income taxes are provided when income and expenses, principally relating to the valuation of investment securities and differences in depreciation methods for book and tax, are recognized in different years for financial and tax reporting purposes.

NOTE G – NET CAPITAL 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 requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At December 31, 2018, the Company had net capital of \$302,402, which was \$296,757 in excess of its required net capital of \$5,645. The Company's ratio of aggregate indebtedness to net capital was 0.28 to 1.

NOTE H – RETIREMENT PLAN

The Company maintains a Savings Incentive Match Plan for Employees (SIMPLE-IRA) in which all employees receiving at least \$5,000 during any prior year are eligible to participate. Employees can elect to defer up to \$10,500 (\$13,000 if age 50 or older). The Company must match dollar-for-dollar the employee elective deferrals up to 3% of wages or contribute 2% of wages up to \$4,500 for all employees. The contribution made for the year ended December 31, 2018, was \$11,864.

NOTE I – STOCKHOLDERS' AGREEMENT

The stockholders of the Company have an agreement stipulating, among other things, the terms under which the Company's stock can be sold or transferred. The agreement provides that a stockholder intending to dispose of an interest in the Company must first offer his stock to the other stockholders at

a price determined in accordance with the agreement. Any shares not purchased by the remaining stockholders will be purchased by the Company. The agreement also provides that the other stockholders may redeem the shares owned by a stockholder upon death or disability. During 2018, the Company repurchased 1000 shares of stock under an option for the employee/stockbroker. The stock certificates were voided and the payment was allocated to common stock (\$673) and retained earnings (\$46,207).

NOTE J – LEASE COMMITMENTS

The Company entered into a lease agreement effective July 1, 2006, for lease of office space and parking. Parking is at the current market rate, which is currently \$225 per parking space. The agreement was extended through December 2020, with monthly rent at \$4,250.

The future lease commitments are summarized as follows:

2019	\$51,000
2020	<u>51,000</u>
	<u>\$102,000</u>

Total rent expense including parking for 2018 was \$57,036.

NOTE K – CONCENTRATION OF CREDIT RISK

The Company maintains cash balances at one financial institution located in Portland, Oregon. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018, the Company’s uninsured cash balance was \$0.00.

NOTE L – COMMITMENTS AND CONTINGENT LIABILITIES

The Company does not have any commitments or contingent liabilities other than those stated in these financial statements.

**SUPPLEMENTARY INFORMATION
PURSUANT TO RULE 17A-5 OF THE
SECURITIES EXCHANGE ACT OF 1934**

LIBERTY CAPITAL INVESTMENT CORPORATION

SCHEDULE 1

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT – PART IIA
FORM X-17A-5 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

COMPUTATION OF NET CAPITAL

For Years Ended December 31, 2018

	<u>2018</u>
Stockholders' equity from statement of financial condition	\$360,074
Deduct equity not allowable for net capital	<u>0</u>
Stockholders' equity qualified for net capital	360,074
Deductions and/or charges	
Non-allowable assets:	
Furniture and equipment	(4,050)
Prepaid expenses	<u>(18,332)</u>
Net capital before haircuts	337,692
Haircut on other securities	<u>(35,290)</u>
Net Capital	<u>\$302,402</u>
Computation of net capital requirement	
Minimum net capital required	<u>\$5,645</u>
Minimum dollar net capital requirement	<u>\$5,000</u>
Excess net capital	<u>\$296,757</u>
Aggregate Indebtedness	
Items included from statement of financial condition:	
Account payable and accrued liabilities	<u>\$84,677</u>
Total aggregate indebtedness	<u>\$84,677</u>
Ratio: Aggregate indebtedness to net capital	0.28 to 1

LIBERTY CAPITAL INVESTMENT CORPORATION

SCHEDULE 2

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT –
PART IIA FORM X-171-5 THE UNITED STATES SECURITIES AND EXCHANGE
COMMISSION**

RECONCILIATION OF COMPUTATION OF NET CAPITAL UNDER RULE 17a-5

For Years Ended December 31, 2018

	<u>2018</u>
NET CAPITAL	
Net capital as of December 31, per unaudited report filed by respondent	\$316,101
 Adjustments	
Effect on net income for adjustments	
(Increase) Decrease in aggregate indebtedness	(13,700)
Rounding	<u>1</u>
Net capital at December 31, as adjusted	<u>\$302,402</u>
 AGGREGATED INDEBTEDNESS	
Total aggregate indebtedness as of December 31, per unaudited report filed by respondent	\$70,977
Rounding	0
Increase (Decrease) in aggregate indebtedness	<u>13,700</u>
Total aggregate indebtedness as of December 31, as adjusted	<u>\$84,677</u>

Duane Liebswager, CPA P.C. Certified Public Accountant

15405 SW 116th Avenue, Suite 112
King City, OR 97224

Duane G. Liebswager

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the board of Directors and Shareholders
of Liberty Capital Investment Corporation

I have reviewed management's statements, included in the accompanying Exemption Report required by SEC Rule 17a-5, in which (1) Liberty Capital Investment Corporation identified the following provisions of 17 C.F.R. §240.15c3-3(k) under which Liberty Capital Investment Corporation claimed an exemption from 17 C.F.R. §240.15c3-3(2)(ii) (exemption provisions) and (2) Liberty Capital Investment Corporation stated that it has met the identified exemption provisions throughout the most recent fiscal year without exception. Liberty Capital Investment Corporation's management is responsible for compliance with the exemption provisions 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 Liberty Capital Investment'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, 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) "Customer Protection-Reserves and Custody of Securities of Rule 15c3-3 under the Securities and Exchange Act of 1934.

Portland, Oregon



Duane Liebswager, C.P.A., PC

February 21, 2019

2018 Exemption Report

SEC Rule 15c3-3

Liberty Capital Investment Corporation, during calendar year 2018, claimed an exemption to SEC Rule 15c3-3. Liberty Capital Investment Corporation met the following criteria, without exception, for the calendar year 2017 under section (k)(2)(ii) of the Rule:

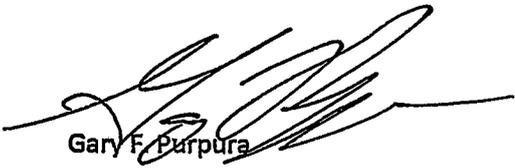
Liberty Capital Investment Corporation is not a carrying firm. Liberty Capital carries no margin accounts, promptly transmits all customer funds, does not receive or handle customer securities, does not otherwise hold funds or securities for, or owe money to, customers and effectuates all financial transactions between the broker/dealer and its customers through Hilltop Securities Corporation.

The Internal Control over the compliance of the broker dealer was effective during the entire fiscal year 2018 and was effective at the end of fiscal year 2018.

The broker dealer was in compliance with 17 C.F.R. 240.15c3-1 (the net cap rule) and 240.15c3-3(e) (the reserve requirement rule) as of the end of fiscal year 2018.

The information used by the broker dealer to state whether it was in compliance with the net cap rule and the reserve requirements rule was derived from the books and records of the broker dealer.

I certify that the above statement is true and accurate to the best of my knowledge.



Gary F. Purpura

President / Principal