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

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8-52947         |

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: **Consilium Partners LLC**

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

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

**265 Franklin Street Suite 504**

(No. and Street)

**Boston**

**MA**

**02110**

(City)

(State)

(Zip Code)

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

Richard D. Briggs Jr.

617-571-6305

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Edelstein & Company**

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

**160 Federal Street**

**Boston**

**MA**

**02110**

(Address)

(City)

(State)

Mail Processing  
Section  
FEB 28 2019  
Washington DC  
413

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)

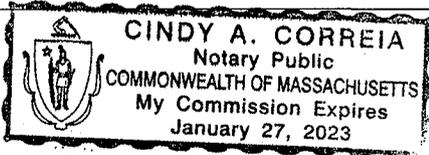
SEC 1410 (11-05)

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OATH OR AFFIRMATION

I, Richard D. Briggs Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Consilium Partners LLC 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:



[Signature]
Signature
Chief Financial Officer
Title

[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).

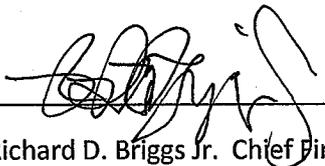
**Consilium Partners LLC**

**EXEMPTION REPORT PURSUANT TO RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2018**

Consilium Partners LLC, ("Company") operates pursuant to paragraph (k)(2)(i) of SEC Rule 15c3-3 under which the Company claims an exemption from SEC Rule 15c3-3. The Company is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited, such that they do not handle customer funds or securities. Accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

The Company has met the identified exemption provisions throughout the most recent fiscal year without exception.

Signature: \_\_\_\_\_

  
Richard D. Briggs Jr. Chief Financial Officer

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**CONSILIUM PARTNERS LLC**

Statement of Financial Condition  
December 31, 2018

Assets

|  |                   |
|--|-------------------|
| Current assets:                                |                   |
| Cash   | \$ 125,659        |
| Held to maturity investment, at cost           | 26,854            |
| Accounts receivable, net allowance of \$70,000 | 105,416           |
| Due from members                               | <u>15,874</u>     |
| Total current assets                           | <u>273,803</u>    |
| Property and equipment, at cost:               |                   |
| Furniture and fixtures                         | 53,491            |
| Equipment                                      | 11,307            |
| Leasehold improvements                         | <u>4,558</u>      |
|  | 69,356            |
| Less: accumulated depreciation                 | <u>40,695</u>     |
| Net property and equipment                     | <u>28,661</u>     |
| Total assets                                   | <u>\$ 302,464</u> |

See accompanying notes to financial statements.

**CONSILIUM PARTNERS LLC**

Statement of Financial Condition  
December 31, 2018

Liabilities and Members' Equity

|                                       |                   |
|---------------------------------------|-------------------|
| Current liabilities:                  |                   |
| Accounts payable                      | \$ 15,349         |
| Accrued expenses                      | 15,692            |
| Deferred rent                         | <u>20,631</u>     |
| Total current liabilities             | 51,672            |
| Members' equity:                      |                   |
| Members' equity                       | <u>250,792</u>    |
| Total liabilities and members' equity | <u>\$ 302,464</u> |

See accompanying notes to financial statements.

**CONSILIUM PARTNERS LLC**

Statement of Operations  
Year ended December 31, 2018

|                                |                         |
|--------------------------------|-------------------------|
| Revenues:                      |                         |
| Success fees                   | \$ 1,068,893            |
| Advisory fees                  | 929,000                 |
| Consulting fees                | 22,000                  |
| Reimbursed expenses            | <u>6,591</u>            |
| Total revenues                 | <u>2,026,484</u>        |
| Expenses:                      |                         |
| Guaranteed payments to members | 1,374,948               |
| General and administrative     | 505,055                 |
| Bad debt expense               | 70,000                  |
| Sales and marketing            | <u>50,683</u>           |
| Total expenses                 | <u>2,000,686</u>        |
| Income from operations         | 25,798                  |
| Other income:                  |                         |
| Interest income                | <u>220</u>              |
| Net income                     | <u><u>\$ 26,018</u></u> |

See accompanying notes to financial statements.

## CONSILIUM PARTNERS LLC

### Statement of Changes in Members' Equity Year ended December 31, 2018

|                                    | Class A           | Class C         | Total             |
|------------------------------------|-------------------|-----------------|-------------------|
| Members' equity, beginning of year | \$ 219,214        | \$ 4,560        | \$ 223,774        |
| Issuance of 10,000 Class C units   | -                 | 1,000           | 1,000             |
| Net income                         | <u>25,924</u>     | <u>94</u>       | <u>26,018</u>     |
| Members' equity, end of year       | <u>\$ 245,138</u> | <u>\$ 5,654</u> | <u>\$ 250,792</u> |

See accompanying notes to financial statements.

## CONSILIUM PARTNERS LLC

### Statement of Cash Flows Year ended December 31, 2018

|  |                          |
|--|--------------------------|
| Cash flows from operating activities:  |                          |
| Net income   | \$ 26,018                |
| Adjustments to reconcile net income<br>to net cash provided by operating activities: |                          |
| Depreciation   | 8,772                    |
| Allowance for doubtful accounts  | 70,000                   |
| Noncash interest   | (8)                      |
| Changes in:  |                          |
| Accounts receivable  | (83,416)                 |
| Prepaid expenses   | 695                      |
| Accounts payable   | 5,961                    |
| Accrued expenses   | 2,367                    |
| Deferred rent  | <u>(1,765)</u>           |
| Net cash provided by<br>operating activities   | <u>28,624</u>            |
| <br>   |                          |
| Cash flow from investing activities:   |                          |
| Due from Members   | <u>(10,281)</u>          |
| Net cash used by investing activities  | <u>(10,281)</u>          |
| Increase in cash   | 18,343                   |
| <br>   |                          |
| Cash at beginning of year  | <u>107,316</u>           |
| Cash at end of year  | <u><u>\$ 125,659</u></u> |

See accompanying notes to financial statements.

## CONSILIUM PARTNERS LLC

Notes to Financial Statements  
December 31, 2018

### Note 1 - Business activity.

Consilium Partners LLC (the “Company”) was organized in 2000 in the state of Massachusetts and provides a wide range of financial advisory services, including assistance with respect to mergers and acquisitions, sales and divestitures, leveraged buyouts and recapitalizations, growth and buyout capital needs, fairness opinions and related corporate advisory services. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of Financial Industry Regulation Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). The Company does not carry customer accounts and is exempt from the Securities and Exchange Commission Rule 15c3-3 under paragraph (k)(2)(i).

### Note 2 - Summary of significant accounting policies.

The Company has prepared the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America.

#### Revenue recognition:

All revenue is accounted for in accordance with ASC Topic 606, Revenue from Contracts with Customers. No cumulative adjustment to member's equity was required, as no material arrangements prior to the adoption were impacted by the new pronouncement. The Company generates the majority of its revenue from providing transaction advisory services under two different types of billing arrangements: nonrefundable upfront advisory fees and contingent success fees.

Advisory fees are billed monthly, in advance, and are nonrefundable. Revenue from Advisory services is typically recognized over time as a series of services performed over the contract term on a straight line basis. Success fees are paid out once a merger, acquisition, sale, restructuring or financing (the “transaction”) is successfully completed. The success fee is typically based on a percentage of the total consideration of the transaction, although in certain cases it may be a flat fee. The Company recognizes revenue from success fees when the transaction is successfully completed as the uncertainty associated with the variable consideration is resolved.

Consulting revenue relates to short term services and are recognized at a point in time when the services are completed.

A small portion of revenue is made up of reimbursable expenses that are billable to clients. Reimbursable expenses are included in total revenues and typically an equivalent amount of reimbursable expenses are included in general and administrative expenses on the statement of operations. Reimbursable expenses are primarily recognized as revenue in the period in which the related expense is incurred.

## CONSILIUM PARTNERS LLC

Notes to Financial Statements  
December 31, 2018

### Note 2 - continued.

#### 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 disclosures of contingent assets and liabilities as of the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ and those differences could be significant. Significant estimates inherent in the preparation of the financial statements include, but are not limited to, the allowance for doubtful accounts.

#### Cash:

For purposes of the statement of cash flows, the Company considers all highly-liquid, short term investments with an original maturity of less than three months that are not held for sale in the ordinary course of business to be cash equivalents, which may at times, exceed FDIC limits.

#### Hold to maturity investment:

Hold to maturity investment represents a certificate of deposit ("CD") held at a bank with an initial maturity of greater than three months but less than one year. It is recorded at cost plus interest. Management has the intent and the ability to hold the CD until maturity.

#### Accounts receivable:

Accounts receivable are stated at net realizable value after deducting any allowance for doubtful accounts. The Company performs ongoing credit evaluations of its clients. The Company maintains an allowance for estimated uncollectible accounts receivable based on its general assessment of collectability. Specific accounts receivable balances are written off when it is determined collection is unlikely. As of December 31, 2018 the Company has reserved in full for one account that is significantly past due; all other receivables are deemed to be collectible and accordingly, no additional allowance for doubtful accounts has been recorded.

**CONSILIMUM PARTNERS LLC**

Notes to Financial Statements  
December 31, 2018

Note 2 - continued.

Property and equipment:

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method. The estimated useful lives are as follows:

|                        |         |
|------------------------|---------|
| Furniture and fixtures | 5 years |
| Equipment              | 5 years |
| Leasehold improvements | 3 years |

Expenditures for renewals and betterments that materially extend the life of the asset are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation amounted to \$8,772 for the year ended December 31, 2018.

Advertising:

The Company expenses advertising costs as the costs are incurred. Advertising expense amounted to \$18,904 which is included in sales and marketing on the statement of operations for the year ended December 31, 2018.

Income taxes:

The Company with the consent of its members, has elected to be treated as a partnership for federal and state income tax purposes. Thus taxable income (or loss) is passed through to the members of the Company, and not taxed at the Company level. Thus there is no provision or liability for income taxes in these financial statements. Returns for years beginning with those filed for the fiscal year 2015 are open to examination.

Recent Accounting Pronouncements:

Leases:

In February 2016, the FASB issued ASU 2016-02, Leases. This guidance requires a lessee to account for leases as finance or operating leases and results in the lessee recognizing a right-of-use asset and a corresponding lease liability on the balance sheet. There will be differing methodologies for income statement recognition. The guidance is effective for fiscal years beginning after December 31, 2018. At this time the Company is evaluating the impact this guidance will have on the financial statements.

## CONSILIUM PARTNERS LLC

Notes to Financial Statements  
December 31, 2018

### Note 3 - Commitments.

The Company has leased office space under a non-cancelable operating lease. The lease also requires the Company to pay real estate taxes and other operating expenses associated with the leased location which are included in rent expense. The effects of lease incentives and graduating rents are being amortized over the term of the lease so as to result in equal rent expense over the lease term. Deferred rent reported in the accompanying statement of financial condition represents the excess of all straight-line rental costs over the actual rental payments through December 31, 2018.

Future minimum annual lease payments for the year ending December 31, 2018 are as follows:

|       |                   |
|-------|-------------------|
| 2019  | \$142,344         |
| 2020  | 141,420           |
| 2021  | 136,800           |
| 2022  | <u>92,432</u>     |
| Total | <u>\$ 512,996</u> |

Total rent expense and related real estate taxes and other operating expenses amounted to \$141,845 for the year ended December 31, 2018 and are included in general and administrative expenses on the statement of operations.

### Note 4 - Guaranteed payments to members.

Guaranteed payments to members are calculated on an engagement to engagement basis. The payments are designed to represent reasonable compensation for the services provided on the individual engagements.

### Note 5 - Supplemental disclosures of cash flow information.

Supplemental disclosure of cash flow information:

|               |                |
|---------------|----------------|
| Interest paid | \$ <u>24</u>   |
| Income taxes  | \$ <u>----</u> |

Supplemental disclosure of noncash investing activities:

|  |                  |
|--|------------------|
| Hold to maturity investment reinvested | \$ <u>26,854</u> |
| Due from members for issuance of units | \$ <u>1,000</u>  |

## CONSILIUM PARTNERS LLC

Notes to Financial Statements  
December 31, 2018

### Note 6 – 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 a minimum net capital balance and requires that the Company's aggregate indebtedness to net capital, as defined, shall not exceed 15 to 1.

At December 31, 2018, the Company's net capital was \$100,335 which was \$95,335 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital was 50%.

### Note 7 – Concentrations

During the year ended December 31, 2018, revenue recognized from two customers accounted for 45% of total revenues. The account balance of one of the two customers noted above represented 73% of total accounts receivable as of December 31, 2018.

### Note 8 – Members' Equity

The Company is authorized to issue Class A units, Class B units and Class C units. Class B units are issued only for past and /or future services to the Company. The maximum units that may be issued is 10,000,000 units.

As of December 31, 2018, the Company has 6,082,847 Class A units outstanding. As of December 31, 2018, the Company has 32,000 Class C units outstanding. One member owns approximately 36% of the Class A units and three members collectively own approximately 94% of the Class C units. There are no Class B units issued.

#### Voting rights

Only the holders of Class A units have the right to vote.

#### Allocation of net income

The Company's net income is allocated among the members in proportion to their respective ownership interest.

#### Distributions

The Company is required to make annual mandatory distributions to its members based on net federal taxable income allocated to such members multiplied by fifty percent. For the year ended December 31, 2018, no tax distributions were required to be made.

## CONSILIUM PARTNERS LLC

Notes to Financial Statements  
December 31, 2018

### Note 8 – continued.

#### Liquidation

In the event of a liquidation, any proceeds after payment of creditors and debt shall be distributed to members after their capital accounts have been adjusted to reflect all profits and losses of the Company in which the member participates through to the date of distribution.

#### Finite life of the LLC

The term of the LLC shall continue until December 31, 2050. The members and managers of the LLC may extend the term prior to the expiration.

#### Limitation of liability

The members and managers are not personally or otherwise liable to the Company's creditors for any debt, obligation or liability of the Company solely by reason of being a member of the Company. The Managers are indemnified against certain liabilities that may arise out of performance of their duties to the Company.

### Note 9 – Due from Members

During 2018 the Company advanced \$15,874 to certain members which will be repaid through the reduction of future guaranteed payments.

### Note 10- Subsequent events.

Management has evaluated subsequent events through February 26, 2019, the date of which these financial statements were available to be issued.

Consilium Partners LLC  
 Schedule of  
 Computation of Net Capital, Aggregate Indebtedness & Basic Net Capital Requirement  
 Pursuant to Rule 15c3-1 of the Securities & Exchange Commission  
 31-Dec-18

|  |           |                |
|--|-----------|----------------|
| Aggregate Indebtness (per balance sheet)                           | <u>\$</u> | <u>51,672</u>  |
| Members' Equity (per balance sheet)                                | <u>\$</u> | <u>250,792</u> |
| Adjustments to Net Capital   |           |                |
| Accounts & Other Receivables net of allowance                      |           | 105,416        |
| Due from Members   |           | 15,874         |
| Net property and equipment   |           | 28,661         |
| FINRA Flex-Funding Account   |           | 212            |
| Haircuts (Prepayment fee for early withdrawal of CD)               |           | 294            |
| Total Adjustments to Net Capital                                   | <u>\$</u> | <u>150,457</u> |
| Net Capital, as defined  | <u>\$</u> | <u>100,335</u> |
| Computation of Basic Net Capital Requirement                       |           |                |
| a. Minimum net capital required of broker dealer                   | <u>\$</u> | <u>5,000</u>   |
| b. Minimum net capital required (6 2/3% of aggregate indebtedness) | <u>\$</u> | <u>3,447</u>   |
| Minimum Net Capital Required (greater of a. or b.)                 | <u>\$</u> | <u>5,000</u>   |
| Net Capital in excess of requirement                               | <u>\$</u> | <u>95,335</u>  |
| Ratio of aggregate indebttness to net capital                      |           | <u>.5 to 1</u> |

There are no material differences between the computation of net capital presented above and the computation of net capital in the Company's unaudited Form X-17A-5, Part IIA filing as of December 31, 2018