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

SEC FILE NUMBER
8-50450

MAR 04 2019

Washington DC  
413

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**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: WESTROCK CAPITAL MANAGEMENT, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

754 CHESTNUT RIDGE ROAD, CHESTNUT RIDGE, NEW YORK

(No. and Street)

10977

(City)

(State)

(Zip Code)

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

PARBATI BHATTACHARYA 845-371-8800

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

LEHMAN FLYNN VOLLARO CPAs, PC

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

534 BRODHOLLOW RD # 302

MELVILLE

NY

11747

(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)

RMS

OATH OR AFFIRMATION

I, RABINDRA NATH BHATTACHARYA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WESTROCK CAPITAL MANAGEMENT, INC, as of DECEMBER 31ST, 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:

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

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public



*[Handwritten Signature]*  
\_\_\_\_\_  
Signature  
*[Handwritten Title]*  
\_\_\_\_\_  
Title

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).

# Westrock

Capital Management, Inc.  
Member NASD, SIPC

## AFFIRMATION OF EXEMPTION DECLARATION CERTIFICATION

Westrock Capital Management is claiming an exemption from Rule 15c3-3 based on the exemptive provision (k) (2) (ii) under Securities Exchange Act of 1934 as all customer transactions are cleared through COR clearing a clearing firm on a fully disclosed basis. Westrock operates under the "(k)(2)(ii)" exemption of this Rule, because it meets the following condition:

The broker-dealer is an introducing broker-dealer who clears all transactions with and for customers on a fully-disclosed basis with a clearing broker or dealer (COR clearing), and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and properly maintains and preserves such books and records.

Westrock's associated persons are required to fully understand and comply with the following (under SEA Rules 17a-3 and 4):

- Checks made payable to the clearing firm (COR clearing) received from clients should be forwarded promptly to the proper processing area which will forward them to the clearing firm (or product sponsor) after logging them in the Checks Received and Delivered Blotter. In the event a check made payable to Westrock is received from a client, it must be recorded in the Checks Received and Delivered Blotter before being returned promptly to the client with written instructions on how to properly remit payment.
- Accepting cash from a client is not permitted. In the event cash is mistakenly received from a customer, it must be recorded in the Cash Received Blotter before being returned promptly to the client with written instruction on how to properly remit payment and Westrock's policy to not receive cash. Westrock's AML procedures manual should be consulted for additional procedures, if any.
- Checks in payment of customer transaction may not be written on a Registered Representative's own personal or business account;
- In the event securities are received from a customer, they must be logged into the Securities Received and Delivered Blotter and promptly returned to the client with instructions on sending certificates to the clearing firm.
- With regard to redeeming securities, there may not be a sharing in the profits and losses of a client or an agreement to purchase a security from a client at some future date; and
- Misappropriation, stealing, or conversion of customer funds is prohibited and constitutes serious fraudulent and criminal acts. Examples of such acts include unauthorized wire or other transfers in and out of customer accounts, borrowing customer funds, converting customer checks that are intended to be added or debited to existing accounts, or taking the cash values of insurance contracts or other liquidation values of securities belonging to customers.

Westrock met the exemption provision through-out the entire fiscal year 2018 without any exception.

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

Date: \_\_\_\_\_

Title: \_\_\_\_\_

State of New York County of Rockland  
Subscribed and sworn before me on 02/27/2019  
(Date)  
[Signature]  
(Notary Signature)

**WESTROCK CAPITAL MANAGEMENT, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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**LEHMAN FLYNN VOLLARO P.C.**  
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**534 BROADHOLLOW ROAD • SUITE 302**  
**MELVILLE, NEW YORK 11747**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders of Westrock Capital Management, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying Statement of Financial condition of Westrock Capital Management, Inc. as of December 31, 2018, the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Westrock Capital Management, Inc. 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 Westrock Capital Management, Inc.'s management. Our responsibility is to express an opinion on Westrock Capital Management, Inc.'s financial statements 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 Westrock Capital Management, 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.

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 statements are 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 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. 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.

**Auditor's Report on Supplemental Information**

Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3 and Schedule III, Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of Westrock Capital Management, Inc.'s financial statements. The supplemental information is the responsibility of Westrock Capital Management, Inc.'s management. Our 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 our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3 and Schedule III, Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Lehman Flynn Vollaro CPAs*

We have served as Westrock Capital Management, Inc.'s auditor since 2015.

Melville, NY

February 25, 2019

WESTROCK CAPITAL MANAGEMENT, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2018

ASSETS

Current assets:	
Cash and cash equivalents	\$ 59,501
Due from clearing broker	11,211
Investment - securities owned at fair market value	<u>1,311,422</u>
Total current assets	1,382,134
Capitalized assets, net of accumulated depreciation and amortization of \$188,348	7,360
Deposit held by broker	15,000
Other assets	<u>685</u>
Total assets	<u>\$1,405,179</u>

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:	
Accrued expenses and accounts payable	\$ 19,682
Due to broker	<u>770,200</u>
Total liabilities	<u>789,882</u>
Stockholder's equity	
Capital stock - no par value, \$250 stated value	
Authorized - 1,000 shares	
Issued and outstanding - 40 shares	10,000
Additional paid-in capital	146,976
Retained earnings	<u>458,321</u>
Total stockholder's equity	<u>615,297</u>
Total liabilities and stockholder's equity	<u>\$ 1,405,179</u>

The accompanying notes are an integral part of these financial statements

WESTROCK CAPITAL MANAGEMENT, INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018

Revenues:	
Commission and fees	\$ 215,066
Interest and dividends	27,422
Other income	5,245
Net realized and unrealized gain/(loss) on investments	<u>(36,387)</u>
 Total revenues	 <u>211,346</u>
 Expenses:	
Clearing and regulatory charges	46,064
Payroll and related expenses	14,390
Rent	48,000
Depreciation and amortization	7,428
Interest expense	47,808
Insurance	4,173
Travel	6,673
Professional fees	6,000
Office and other expenses	<u>48,545</u>
 Total expenses	 <u>229,081</u>
 Net Loss	 <u>\$ (17,735)</u>

The accompanying notes are an integral part of these financial statements.

WESTROCK CAPITAL MANAGEMENT, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Stock At Stated Value</u>	<u>Additional Paid – In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, January 1, 2018	\$10,000	\$146,976	\$521,443	\$678,419
Stockholders' contributions	-	-	-	-
Stockholders' distributions	-	-	(45,387)	(45,387)
Net Loss	<u>-</u>	<u>-</u>	<u>(17,735)</u>	<u>(17,735)</u>
Balance, December 31, 2018	<u>\$10,000</u>	<u>\$146,976</u>	<u>\$458,321</u>	<u>\$615,297</u>

The accompanying notes are an integral part of these financial statements

WESTROCK CAPITAL MANAGEMENT, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Net Loss	\$ (17,735)
Adjustments to net income:	
Depreciation and amortization	7,428
Changes in assets and liabilities:	
Due from broker	14,674
Accrued expenses and accounts payable	1,386
Investments at fair market value, net	(202,318)
Due to broker	<u>259,049</u>
Net cash provided by operating activities	<u>62,484</u>
Cash flows from investing activities:	0
Cash flows from financing activities:	
Shareholders' distributions	<u>(45,387)</u>
Net cash used in financing activities	<u>(45,387)</u>
Net change in cash and cash equivalents	17,097
Cash and cash equivalents, beginning of year	<u>42,404</u>
Cash and cash equivalents, end of year	<u>\$ 59,501</u>
Supplemental Disclosures:	
Interest paid	\$47,808
Income taxes paid	50

The accompanying notes are an integral part of these financial statements

WESTROCK CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS

**Note 1 – Business Description**

Westrock Capital Management, Inc. (the Company), an S Corporation, was incorporated in the State of New York on July 1, 1996. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA). The Company's operations primarily consist of securities transactions performed on an agency basis for customers.

**Note 2 – Summary of Significant Accounting Policies and Adoption of New accounting Standard**

The majority of Westrock's revenue is recognized at a point in time based on the transfer of ownership of securities. The adoption of this ASU did not have a significant impact on Westrock's financial statements. Westrock's revenue arrangements generally consist of single performance obligation to transfer promised securities. Based on Westrock's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of this adoption.

**Cash and Cash Equivalents**

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

**Use of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Furniture, Fixtures and Equipment**

Capitalized assets are recorded at costs and depreciated over their estimated useful lives using accelerated methods.

**Revenue Recognition**

Securities owned are recorded at fair value based on quoted market prices. Securities transactions and related clearing expenses are recorded on the trade date basis. Unrealized and realized gains and losses are reported on a net basis. See Note No. 3 - Revenue from Contracts with Customers

**Method of Accounting**

The financial statements have been prepared on the accrual basis of accounting

**Subsequent Events**

ASC 855 Subsequent Events sets forth general accounting disclosure requirements for events that occur subsequent to the balance sheet date but before the Company's financial statements are issued. The Company has evaluated events through **February 25, 2019**, the date the financial statements were available to be issued.

WESTROCK CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS

**New Accounting Standard**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Westrock adopted the new standard effective January 1, 2018 the first day of Westrock's fiscal year using the modified retrospective approach.

**Note 3 - Revenue from Contracts with Customers**

**Significant Judgments**

Revenue from contracts with customers includes commission income. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time.

**Disaggregated Revenue from Contracts with Customers**

The following table presents revenue by major source:

Revenue from contracts with customers:

Commissions:

Brokerage commissions (including \$5,867 Mutual Fund Trailers)	<u>\$215,066</u>
--	------------------

Total revenues from contracts with customers	<u>\$215,066</u>
--	------------------

**Contract assets and liabilities**

Contract assets or liabilities exist when revenue is recognized over time. Westrock does not have any contract assets or liabilities at December 31, 2018.

**Performance obligations**

Brokerage commissions: Westrock derives its revenues primarily from buying and selling securities on behalf of its customers based on quoted market price. Each time a customer enters into a buy or sell transaction, Westrock charges a commission. Commissions and related clearing expenses are recorded on the trade date basis. Westrock believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon, and the risks and rewards of ownership have been transferred to/from the customer.

**Costs to Obtain or Fulfill a contract with a customer**

Westrock's costs to obtain revenues are mainly clearing costs charged by the clearing firm (COR Clearing). These costs are expensed immediately as there are no performance obligations created for future events.

**Note 4 – Clearing Agreements**

In September 2015, the Company entered into a clearing agreement with COR Clearing, Inc. to carry the customer's accounts of its trading business, including the cash and margin accounts, to clear all transactions on a fully disclosed basis.

WESTROCK CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS

**Note 5 – Investments**

The Company's investments in marketable securities are presented at fair market value based upon quoted prices in active markets. Investment income is recognized when earned. Investments with maturities of less than one year from the balance sheet date are classified as current assets.

At December 31, 2018, investments consist of the following:

	<u>2018</u>
Equity securities	<u>\$1,311,422</u>

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurement, 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 assess.

Level 2 - inputs are inputs (other than the quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for the asset or liability and rely on management's own judgments about the assumptions that market participants would use in pricing the asset or liability.

At December 31, 2018, the Company's investments are classified as follows based on fair values:

<u>Category</u>	<u>2018 Fair Value</u>
Level 1	\$1,311,422
Level 2	-
Level 3	-
	<u>\$1,311,422</u>

**Note 6 – Capitalized Assets**

At December 31, 2018, capitalized assets consist of the following:

Leasehold improvements	\$111,352
Furniture and equipment	<u>91,784</u>
	203,136
Less: accumulated depreciation and amortization	<u>195,776</u>
	<u>\$ 7,360</u>

Depreciation and amortization expenses for the year ended December 31, 2018 is \$7,428.

WESTROCK CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS

**Note 7 – Net Capital Requirements**

As a member of the Financial Industry Regulatory Authority, Inc. the Company is subject to the net capital rule adopted and administered by the Association. The rule prohibits a member from engaging in securities transaction at a time when its “aggregate indebtedness” exceeds 15 times its “net capital” as those terms are defined by the rule. As of December 31, 2018, the corporation’s ratio of aggregate indebtedness to net capital was 5.56% and its net capital was \$349,056 compared with a net capital requirement of \$5,000.

**Note 8 – Income Taxes**

The Company has elected to be treated as an “S” corporation for Federal and State income tax purposes. Under the provisions of Subchapter S, the Company does not pay federal corporate income taxes on its taxable income. Corporate income or loss is included in the shareholders’ individual income tax return. The statute of limitation for examination by Internal Revenue Service and New York State for the federal and state tax returns has expired for tax years before 2015.

**Note 9 – Commitments and Contingencies**

The Company is committed to a lease of an office building, which is owned by the Company’s shareholders. The annual rent expense for 2018 was \$48,000.

**Note 10 – Concentrations**

The Company maintains all of its cash in financial institutions, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not subject to any significant credit risk on cash.

During 2018, the Company provided services to 10 major customers, resulting in revenues of approximately 90% of the Company’s total revenues

**Note 11 – Off Balance Sheet Risk**

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. All of the customer’s money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company and must maintain, at all times, a clearing deposit of not less than \$15,000. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the customer’s accounts. In addition, the receivable from the clearing broker (commissions earned) is pursuant to the clearance agreement.

In the normal course of business, the Company’s customer activities involve the execution, settlement and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract as a loss.

SCHEDULE I

WESTROCK CAPITAL MANAGEMENT, INC.  
 COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1  
 OF THE SECURITIES AND EXCHANGE COMMISSION  
 DECEMBER 31, 2018

Total stockholders' equity from Statement of Financial Condition	\$ 615,297
Total non-allowable assets from Statement of Financial Condition	(8,045)
Haircuts on firm investments including undue concentrations	<u>(253,196)</u>
Net capital	<u>\$ 354,056</u>
Minimum net capital required on aggregate indebtedness (6 2/3% of aggregate indebtedness)	\$ <u>1,312</u>
Minimum dollar net capital requirement of reporting broker or dealer	\$ <u>5,000</u>
Net capital requirement (greater of the above)	\$ <u>5,000</u>
Excess net capital	<u>\$ 349,056</u>
Total A.I. liabilities from Statement of Financial Condition	\$ <u>19,682</u>
Ratio: Aggregate indebtedness to net capital	<u>5.56%</u>

See Report of Independent Registered Public Accounting Firm

SCHEDULE 1 (CONTINUED)

WESTROCK CAPITAL MANAGEMENT, INC.  
 RECONCILIATION OF NET CAPITAL PURSUANT TO RULE 15c3-1  
 OF THE SECURITIES AND EXCHANGE COMMISSION  
 (X-17A-5)  
 DECEMBER 31, 2018

	Focus Report- Part IIA Period ended <u>December 31, 2018</u>	<u>Adjustments</u>	Annual Financial Statements at <u>December 31, 2018</u>
Computation of net capital:			
Total stockholders' equity from Statement of Financial Condition	\$ 615,297	\$ -	\$ 615,297
Less: Total non-allowable assets from Statement of Financial Condition	8,045	-	8,045
Less: Haircuts on firm investments including undue concentrations	<u>253,196</u>	-	<u>253,196</u>
Net capital	<u>\$ 354,056</u>	<u>\$ -</u>	<u>\$ 354,056</u>

See Report of Independent Registered Public Accounting Firm

## SCHEDULE II

WESTROCK CAPITAL MANAGEMENT, INC.  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2018

The Company is exempt from compliance with Rule 15c3-3 under Section k(2)(ii) of the Rule. The Company has all customer transactions cleared through another broker-dealer on a fully disclosed basis. The Company was in compliance with the conditions of the exemption as of December 31, 2018.

## SCHEDULE III

WESTROCK CAPITAL MANAGEMENT, INC.  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2018

The Company is exempt from compliance with Rule 15c3-3 under Section k(2)(ii) of the Rule. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities. The Company was in compliance with the conditions of the exemption as of December 31, 2018.

**LEHMAN FLYNN VOLLARO P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**534 BROADHOLLOW ROAD • SUITE 302**  
**MELVILLE, NEW YORK 11747**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders of Westrock Capital Management, Inc.

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

*Lehman Flynn Vollaro CPA's*

Melville, NY

February 25, 2019

**AFFIRMATION OF EXEMPTION DECLARATION CERTIFICATION**

Westrock Capital Management is claiming an exemption from Rule 15c3-3 based on the exemptive provision (k) (2) (ii) under Securities Exchange Act of 1934 as all customer transactions are cleared through COR clearing a clearing firm on a fully disclosed basis. Westrock operates under the "(k)(2)(ii)" exemption of this Rule, because it meets the following condition:

The broker-dealer is an introducing broker-dealer who clears all transactions with and for customers on a fully-disclosed basis with a clearing broker or dealer (COR clearing), and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and properly maintains and preserves such books and records.

Westrock's associated persons are required to fully understand and comply with the following (under SEA Rules 17a-3 and 4):

- Checks made payable to the clearing firm (COR clearing) received from clients should be forwarded promptly to the proper processing area which will forward them to the clearing firm (or product sponsor) after logging them in the Checks Received and Delivered Blotter. In the event a check made payable to Westrock is received from a client, it must be recorded in the Checks Received and Delivered Blotter before being returned promptly to the client with written instructions on how to properly remit payment.
- Accepting cash from a client is not permitted. In the event cash is mistakenly received from a customer, it must be recorded in the Cash Received Blotter before being returned promptly to the client with written instruction on how to properly remit payment and Westrock's policy to not receive cash. Westrock's AML procedures manual should be consulted for additional procedures, if any.
- Checks in payment of customer transaction may not be written on a Registered Representative's own personal or business account;
- In the event securities are received from a customer, they must be logged into the Securities Received and Delivered Blotter and promptly returned to the client with instructions on sending certificates to the clearing firm.
- With regard to redeeming securities, there may not be a sharing in the profits and losses of a client or an agreement to purchase a security from a client at some future date; and
- Misappropriation, stealing, or conversion of customer funds is prohibited and constitutes serious fraudulent and criminal acts. Examples of such acts include unauthorized wire or other transfers in and out of customer accounts, borrowing customer funds, converting customer checks that are intended to be added or debited to existing accounts, or taking the cash values of insurance contracts or other liquidation values of securities belonging to customers.

Westrock met the exemption provision through-out the entire fiscal year 2018 without any exception.

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

*Kevin Scully*

Date: \_\_\_\_\_

*2/27/19*

Title: \_\_\_\_\_

*Managing Partner*

State of NY County of Rockland  
Subscribed and sworn before me on \_\_\_\_\_  
(Date)

*02/27/2019*  
(Date)