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

SEC FILE NUMBER
8-28026

SEC FACING PAGE  
Mail Processing  
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 MAR 01 2018 AND ENDING 12/31/2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Akar Capital Management, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

8551 West Sunrise Blvd., Suite 102A

(No. and Street)

PLANTATION  
(City)

FL  
(State)

33322  
(Zip Code)

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

EMIL AKAR

(954) 476-7011

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

DE LEON & COMPANY, P.A.

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

510 NW 159TH LANE

PEMBROKE PINES

FL

33028

(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)

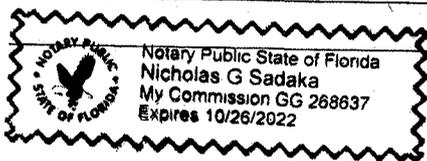
SEC 1410 (11-05)

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OATH OR AFFIRMATION

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



Emil A. Akar  
Signature

PRESIDENT  
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).

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of Akar Capital Management, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Akar Capital Management, Inc. (the "Company") as of December 31, 2018 and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and the results of its operations and its cash flows for the year ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

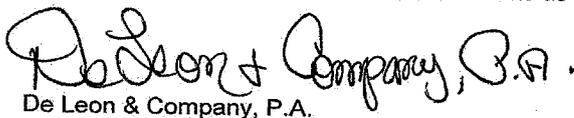
**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company 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 audits 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 audits 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 audits 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.

**Supplemental Information**

The supplemental information contained in Schedules I, II, III and IV has been subjected to audit procedures performed in conjunction with the audit of the financial statements of Akar Capital Management, Inc. The supplemental information contained in Schedules I, II, III and IV is the responsibility of the management of Akar Capital Management, Inc. Our audit procedures included determining whether the supplemental information contained in Schedules I, II, III and IV 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 schedules. In forming our opinion of the supplemental schedules, we evaluated whether the supplemental schedules, including its form and content is presented in conformity with 17 C. F. R. 240.17a-5. In our opinion, the supplemental information contained in Schedules I, II, III and IV is fairly stated, in all material respects, in relation to the financial statements as a whole.

  
De Leon & Company, P.A.

We have served as the Company's auditor since 2018.

February 15, 2019

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

**ASSETS**

Current Assets	
Cash in bank and cash equivalents	\$ 18,360
Accounts receivable	<u>59,650</u>
Total current assets	78,010
Fixed Assets (net)	6,311
Other Assets	
Clearing agent deposit	<u>50,034</u>
TOTAL	<u>\$ 134,355</u>

**LIABILITIES AND STOCKHOLDER EQUITY**

Current Liabilities	
Accounts payable and accrued expenses	<u>\$ 7,587</u>
Total liabilities	<u>7,587</u>
Stockholder's Equity	
Common stock - \$1.00 par value, 5,000 shares authorized, 20 shares issued and outstanding	20
Additional paid-in capital	20,943
Retained earnings	<u>105,805</u>
Total stockholder equity	<u>126,768</u>
Total liabilities and stockholder's equity	<u>\$ 134,355</u>

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

**AKAR CAPITAL MANAGEMENT, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Revenues	
Commissions from security transactions	\$ 131,944
Investment advisory fees	197,789
Sales of investment company shares	9,542
Other revenue	86,499
Total revenue	<u>425,774</u>
Operating expenses:	
Compensation and employe benefits	111,520
Clearing charges	41,757
Data and regulation	23,469
Occupancy expense	9,281
General and administrative	72,741
Total operating expenses	<u>258,768</u>
Net income before provision for income taxes	167,006
Provision for income taxes	<u>-0-</u>
Net income	<u>\$ 167,006</u>

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

**AKAR CAPITAL MANAGEMENT, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

	<u>Common Stock</u>	<u>Additional Paid In Capital</u>	<u>Retained Earnings</u>
Balance - 12/31/17	\$ 20	\$ 20,943	\$ 104,990
Net Income	0	0	167,006
Stockholder's Distributions	<u>0</u>	<u>0</u>	<u>(166,191)</u>
Balance - 12/31/18	<u>\$ 20</u>	<u>\$ 20,943</u>	<u>\$ 105,805</u>

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

**AKAR CAPITAL MANAGEMENT, INC.  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

SUBORDINATED LIABILITIES AT DECEMBER 31, 2017	\$ 0
Changes during the year	<u>0</u>
SUBORDINATED LIABILITIES AT DECEMBER 31, 2018	<u><u>\$ 0</u></u>

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

**AKAR CAPITAL MANAGEMENT, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash Flows From Operating Activities:	
Net income	
Adjustment to reconcile net income to net cash provided by (used in) operating activities:	\$ 167,006
Depreciation	349
Net change to assets and liabilities:	
Increase in clearing agent deposite	(34)
Increase in accounts receivable	(5,358)
Decrease in accounts payable and accrued expenses	<u>(2,674)</u>
Net cash flow provided by operating activities	<u>159,289</u>
Cash Flow From Financing Activities:	
Purchase of fixed asset	<u>3,597</u>
Total cash flows from financing activities	<u>(3,597)</u>
Cash Flow From Financing Activities:	
Distributions to shareholder	<u>166,191</u>
Total cash flows from financing activities	<u>(166,191)</u>
Net Increase In Cash	(10,499)
Cash and cash equivalents - beginning	<u>28,859</u>
Cash and cash equivalents - ending	<u>\$ 18,360</u>
Supplemental cash flows disclosures:	
Taxes paid	\$ -
Interest paid	\$ -

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

**AKAR CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.) Nature of business.**

The Company was incorporated on June 18, 1982 in the State of Florida. The Company is registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA) as a non-carrying broker-dealer.

The Company acts as an introducing broker through a clearing arrangement with a broker-dealer on a fully disclosed basis. This broker-dealer provides clearing services, handles funds of the Company's customers, holds securities, and remits activity statements to the customers.

The Company acts as a registered investment advisor and earns management fees on a quarterly basis.

**B.) Cash Equivalents**

For purposes of reporting cash flows, and cash and cash equivalents includes money market accounts and certificates of deposits and any highly liquid debt instruments purchased with a maturity of three months or less.

**C.) Depreciation**

Furniture and equipment are being depreciated on a straight line basis over a period generally not to exceed five years. Leasehold improvements are being amortized over a three to ten year period.

**D.) Income Taxes**

The Company has made an election to be treated as a Subchapter S corporation under the Federal Income tax laws. Accordingly, the income and losses of the Company are taxed directly to its sole stockholder. Therefore, no provision for income taxes has been made in the financial statements. The company's tax returns are subject to audit for up to three years.

**AKAR CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**E.) Management 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 at December 31, 2018 and revenues and expenses for the year then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

**F.) Commissions**

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur and are posted to Company ledgers monthly when the clearing brokers remit their monthly statements. As of December 31, 2018, the balance of Commissions due from clearing brokers net of clearing expenses was \$11,596. Subsequently, this has been paid in full. Income from Mutual Fund Companies is recorded as it is received. This includes Mutual Fund Sales and 12B-1 Fees.

**G.) Management Fees**

Management fees are earned for investment advice is earned quarterly. As of December 31, 2018, the balance was \$48,054. These fees were received in full in January 2019.

**H.) Clearing Deposit**

Pursuant to the clearing agreement with the clearing broker, a deposit of \$50,034 is being held in an interest bearing account as of December 31, 2018 to offset unsecured customer debits.

**I.) Fair Market Value of Financial Instruments**

The Company measures assets and liabilities at fair value based on an expected exit price which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

**AKAR CAPITAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

The following are the hierarchical levels of inputs to measure fair value:

**Level 1: Observable inputs that reflect prices (unadjusted) for identical assets or liabilities in active markets.**

**Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.**

**Level 3: Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available. The Company's financial instruments consisted primarily of accounts payable, accrued liabilities, amounts due to related parties, and debt. The Company's debt approximates fair value based upon current borrowing rates available in the Company for debt with similar maturities. The carrying amounts of the Company's financial instruments generally approximated their fair value as of December 31, 2018 due to the short-term nature of these instruments.**

**J.)Recent Accounting Pronouncements**

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flows.

**NOTE 2 - NET CAPITAL REQUIREMENTS**

FINRA imposes certain restrictions on the Company, the most significant of which are to maintain a minimum net capital of \$5,000 and aggregate indebtedness, as defined, which does not exceed fifteen times net capital, as defined.

**NOTE 3 - COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k) of that Rule.

**AKAR CAPITAL MANAGEMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 4 FIXED ASSETS**

The Company's fixed assets are comprised of office furniture, leasehold improvements and equipment of \$72,704 less accumulated depreciation of \$66,393. The depreciation expense for 2018 was \$ 349.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The Company's place of business is an office owned by the officer/shareholder. There is no lease for the office. The Company's responsibility is to pay common area charges and other costs of maintaining the office.

The officer/ shareholder of the Company receives compensation as its CEO in addition to various employee benefits and expense reimbursements. Corporate distributions of \$166,191 were paid to its officer/shareholder for the year ended December 31, 2018.

The officer/shareholder maintains management control and a minority ownership interest in an investment limited liability company, Cedar Capital, LLC. Akar Management Group, LLC is the sole manager of Cedar Capital, LLC and acts as the investment manager of the Company. Various fees were earned by the Company for these services.

**NOTE 6 – RETIREMENT PLAN**

The Company adopted a Savings Incentive Match Plan for Employees or SIMPLE. Pursuant to the plan, employees are allowed to defer portion of their salary and the Company matches up to 3% of the salary deferral.

**NOTE 7 – CONCENTRATION OF RISK.**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers and other financial entities. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. Risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review the credit standing of each counterparty.

**NOTE 8 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through the date the financial statements were issued and has determined that there are no items to disclose.

**AKAR CAPITAL MANAGEMENT, INC.**

**Schedule I**  
**Supplemental Information**  
**STATEMENT OF COMPUTATION OF CAPITAL REQUIREMENT**  
**December 31, 2018**

Total Assets	\$	134,355
Less Liabilities		<u>7,587</u>
Net capital before other charges		<u>126,768</u>
Charges against capital:		
Fixed assets (net)		6,311
Haircut on money market		1,000
Management fee accounts receivable		48,054
Other assets		-
Total charges against capital		<u>55,365</u>
Net capital	\$	<u>71,403</u>

**Schedule II**  
**Supplemental Information**  
**STATEMENT OF COMPUTATION OF BASIC CAPITAL REQUIREMENT**  
**December 31, 2018**

Net capital	\$	71,403
Net capital required		<u>5,000</u>
Excess net capital	\$	<u>66,403</u>

**Schedule III**  
**Supplemental Information**  
**RECONCILIATION OF NET CAPITAL**  
**December 31, 2018**

Net capital per Audited Financial Statements
Net capital per Focus Report - Part II A
Net difference - audit adjustments

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

**AKAR CAPITAL MANAGEMENT, INC.**

**Schedule IV**  
**Supplemental Information**  
**COMPUTATION OF AGGREGATE INDEBTEDNESS**  
**December 31, 2018**

Total Liabilities From Statement of Dinancial Condition	\$	7,587
Percentage of aggregate indebtedness to net capital		10.63%

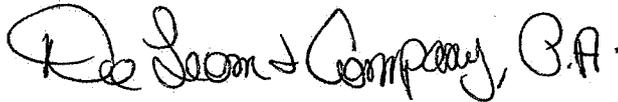
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
of Akar Capital Management, Inc.

We have reviewed management's statements, included in the accompanying EXEMPTION REPORT, in which (1) Akar Capital Management, Inc. identified the following provisions of 17 C.F.R. 15c3-3(k) under which Akar Capital Management, Inc. claimed an exemption from 17 C.F.R. 240.15C3-3: (Exemption provisions 15c3-3(k)(2)(i) and 15c3-3(k)(2)(ii)) (the "exemption provisions") and Akar Capital Management, INC. stated that Akar Capital Management, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. The management of Akar Capital Management, Inc. 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 Akar 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 conditions set forth in paragraph (k) (exemption provisions (2)(i) and (2)(ii) ) of Rule 15c3-3 under the Securities Exchange Act of 1934.



DE LEON & COMPANY, P.A.

Pembroke Pines, Florida  
February 15, 2019

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AKAR CAPITAL MANAGEMENT, INC.  
8551 WEST SUNRISE BLVD, SUITE 102A  
PLANTATION, FL 33322

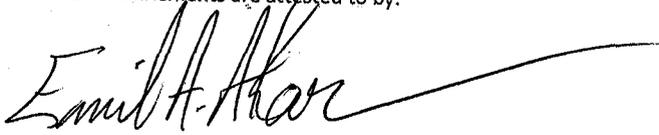
EXEMPTION REPORT

February 15, 2019

Pursuant to Amended SEC Rule 17a-5, Akar Capital Management, Inc. hereby makes the following statements:

1. Exemption is claimed pursuant to SEC Rules 15c3-3(k)(2)(i) and 15c3-3(k)(2)(ii).
2. Akar Capital Management, Inc. met the exemption provisions of SEC Rules 15c3-3(k)(2)(i) and 15c3-3(k)(2)(ii) throughout the most recent fiscal year-ended December 31, 2018 without exception.

The above statements are attested to by:

A handwritten signature in black ink, appearing to read "Emil Akar", with a long horizontal flourish extending to the right.

Emil Akar, President and Principal