

Securities and Exchange  
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FORM X-17A-5

PART III

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 January 1, 2018 AND ENDING December 31, 2018  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Berman Capital, LLC

OFFICIAL USE ONLY

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

45706  
FIRM I.D. NO.

435 Hill Street

(No. and Street)

San Francisco  
(City)

California  
(State)

94114  
(Zip Code)

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

Marc L. Berman

(415) 345-1480

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Cropper Accountancy Corporation

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

2700 Ygnacio Valley Rd Suite 270

Walnut Creek, CA

94598

(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)

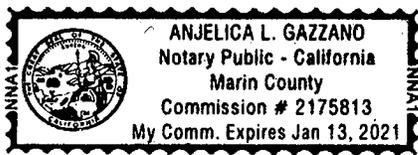
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

JW

OATH OR AFFIRMATION

I, Marc L. Berman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Berman Capital, LLC, 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:

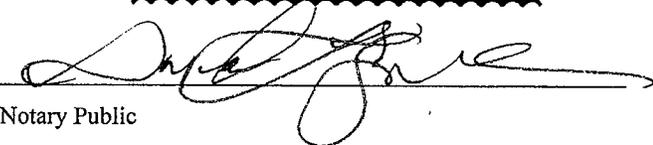
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





Signature

Managing Member



Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Members' Equity.
- (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) Report on Assertions of Exemption of a Non-Carrying Broker or Dealer required By Rule 17a-5(d)(4) of the Securities and Exchange Commission
- (o) Assertions of Exemption of a Non-Carrying Broker or Dealer required by Rule 17a-5(d)(4) of the Securities and Exchange Commission

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

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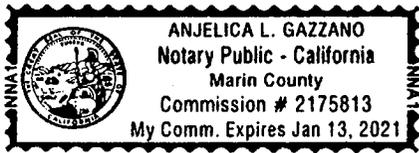
\_\_\_\_\_  
Signature of Document Signer No. 1

N/A  
Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Marin

Subscribed and sworn to (or affirmed) before me  
on this 1 day of March, 2019,  
by Date Month Year  
(1) Marc L. Berman  
(and (2) None),  
Name(s) of Signer(s)



proved to me on the basis of satisfactory evidence  
to be the person(s) who appeared before me.  
Signature [Handwritten Signature]  
Signature of Notary Public

Seal  
Place Notary Seal Above

**OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**  
Title or Type of Document: SEC Form X-17A-5 Part III Document Date: March 1, 2019  
Number of Pages: 18 Signer(s) Other Than Named Above: NONE

**Berman Capital, LLC**

Financial Statements

and

Supplemental Information Required by Rule 17a-5 under the  
Securities Exchange Act of 1934

For the year ended December 31, 2018

with

Reports of Independent Registered Public Accounting Firm

## Contents

	<u>Page</u>
Financial Statements	
Report of Independent Registered Public Accounting Firm	1
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Members' Equity	4
Statement of Cash Flow	5
Notes to Financial Statements	6
Supplemental Information Required by Rule 17a-5 under the Securities Exchange Act of 1934	
Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission	10
Reconciliation Pursuant to Rule 17a-5(d)(2)(iii)	10
Computation for Determination of Reserve Requirements	11
Information Relating to Possession or Control Requirements	11
Report on Assertions of Exemption of a Non-Carrying Broker or Dealer required by Rule 17a-5(d)(4) of the Securities and Exchange Commission	12
Assertions of Exemption of a Non-Carrying Broker or Dealer required by Rule 17a-5(d)(4) of the Securities and Exchange Commission	13



*office location*  
2700 Ygnacio Valley Road, Ste 270  
Walnut Creek, CA 94598  
  
(925) 932-3860 tel

*mailing address*  
2977 Ygnacio Valley Rd, PMB 460  
Walnut Creek, CA 94598  
  
(925) 476-9930 efax

[www.cropperaccountancy.com](http://www.cropperaccountancy.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
of Berman Capital, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Berman Capital, LLC (the "Company") as of December 31, 2018, and the related statements of operations, changes in members' 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 the Company 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 (GAAP).

### 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 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. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Engagement Partner Disclosure

The engagement partner on our audit for the year ended December 31, 2018 was John Cropper. Cropper Accountancy Corporation has served as the Company's auditor since 2018.

### Other Information

The supplemental information contained in Computation of Net Capital Under Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. 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, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Cropper Accountancy Corporation*

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

February 21, 2019

**Berman Capital, LLC**  
Statement of Financial Condition  
As of December 31, 2018

Assets

Current assets

Cash and cash equivalents	<u>\$ 29,640</u>
Total current assets	<u>29,640</u>
Total assets	<u><u>\$ 29,640</u></u>

Liabilities and Members' Equity

Current liabilities

Accounts payable and accrued liabilities	<u>\$ -</u>
Total current liabilities	-

Members' equity	<u>29,640</u>
Total liabilities and members' equity	<u><u>\$ 29,640</u></u>

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

**Berman Capital, LLC**  
**Statement of Operations**  
For the year ended December 31, 2018

Revenues	
Interest income	<u>\$          40</u>
Expenses	
Professional fees and outside services	9,306
Telephone and internet	5,034
Dues and subscriptions	2,136
Entertainment and promotion	2,129
Computer and database	1,718
Taxes and licenses	800
Insurance	656
Other expenses	574
Office expenses	<u>509</u>
Total expenses	<u>22,862</u>
Net loss	<u>\$  (22,822)</u>

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

**Berman Capital, LLC**  
Statement of Changes in Members' Equity  
For the year ended December 31, 2018

Balance, December 31, 2017	\$ 50,962
Prior period adjustment	<u>1,500</u>
Balance as restated	52,462
Net loss	<u>(22,822)</u>
Balance, December 31, 2018	<u>\$ 29,640</u>

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

**Berman Capital, LLC**  
Statement of Cash Flows  
For the year ended December 31, 2018

Cash flows from operating activities	
Net loss	<u>\$ (22,822)</u>
Net decrease in cash and cash equivalents	(22,822)
Cash and cash equivalents, beginning of year	<u>52,462</u>
Cash and cash equivalents, end of year	<u><u>\$ 29,640</u></u>
Supplemental disclosure	
Cash paid during the year for income taxes	<u><u>\$ 800</u></u>

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

**Berman Capital, LLC**  
Notes to Financial Statements  
December 31, 2018

Note 1 - Summary of significant accounting policies

Basis of presentation

Berman Capital, LLC (the Company) is a California limited liability company formed in July 1998. In February 1999, the Company registered as a broker-dealer with the Securities Exchange Commission. The Company is a member of the Financial Industry Regulatory Authority.

The Company's activities consist principally of its role as an intermediary and advisor in merger and acquisition transactions. Accordingly, the Company claims exemption from Securities Exchange Commission Rule 15c3-3 because it does not carry customer funds or handle customer securities.

Basis of accounting

The Company maintains its books on the accrual basis of accounting.

Commissions and fees

The Company records commission and fee income as earned pursuant to the terms of its investment banking agreements.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of amounts on deposit with a commercial bank and registered investment company, in interest and non-interest bearing accounts, available on demand.

Allowance for uncollectible accounts receivable

The Company uses the allowance method to account for uncollectible accounts receivable. Under this method, the Company reviews all receivables for any problems with collection. If the Company feels that there may be a problem with collections, an allowance is provided for the receivable. When attempts to collect a specific receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance. As of December 31, 2018, the Company had no accounts receivable and, accordingly, determined that an allowance for doubtful accounts was not necessary.

Income taxes

The Company has elected to be taxed as a limited liability company in a manner similar to the taxation of a partnership. The Company is not subject to federal or state taxes on income. Instead, the members include their respective shares of the Company's taxable income or loss in their individual income tax returns.

**Berman Capital, LLC**  
Notes to Financial Statements  
(continued)  
December 31, 2018

Note 1 - Summary of significant accounting policies (continued)

Income taxes (continued)

The Company follows accounting principles generally accepted in the United States related to the accounting for uncertainty in income taxes. Adoption of the provisions did not have any impact on the Company's accounting for unrecognized tax liabilities. Management believes that the Company has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Tax years 2016 to 2018 are open for examination by the Internal Revenue Service and years 2015 to 2018 by the California Franchise Tax Board.

Use of estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts and disclosures reported in these financial statements. Actual results could differ from those estimated.

Advertising costs

Costs incurred for producing and communicating advertising are expensed when incurred. For the year ended December 31, 2018 advertising costs were insignificant.

Estimated fair value of financial instruments

Management estimates that the aggregate net fair value of financial instruments recognized on the statements of financial condition (including cash and cash equivalents, receivables, payables and accrued expenses) approximates their carrying value, as such financial instruments are short-term in nature, bear interest at current market rates or are subject to repricing.

Note 2 - Transactions with members

The Company receives the benefit of certain office and administrative services provided by its members. For the year ended December 31, 2018, the Company reimbursed its members for all significant shared costs.

The Company's members also incur, and pay currently for, certain expenses related to transactions in process. If the transactions close and generate revenue to the

**Berman Capital, LLC**  
Notes to Financial Statements  
(continued)  
December 31, 2018

Note 2 - Transactions with members (continued)

Company, the expenses may be reimbursed to the members. If the transactions do not close, the expenses remain those of the members. Accordingly, such costs are recorded as paid. As of December 31, 2018, the Company had reimbursed all significant member incurred costs.

Note 3 - Retirement plan

The Company has a defined contribution retirement plan for the benefit of its members. Contributions to the plan are determined annually by the Company's managing member subject to certain maximum amounts allowable under the Internal Revenue Code. No contributions were accrued to the plan in the year ended December 31, 2018.

Note 4 - Concentrations

In prior years, revenue from one or two client engagement amounted to substantially all revenues. No revenues were earned for the year ended December 31, 2018.

Note 5 - Subsequent events

The Company evaluated subsequent events for recognition and disclosure through the date of this filing. Management concluded that no material subsequent events have occurred since December 31, 2018 that required recognition or disclosure in such financial statements.

Note 6 - Net capital requirement

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 a ratio of aggregate indebtedness to net capital, both as defined, not exceeding 15 to 1. As of December 31, 2018, the Company had net capital of \$29,640, which exceeded its required net capital of \$5,000 by \$24,640. The ratio of aggregate indebtedness to net capital was 0.00 to 1.

**Berman Capital, LLC**  
Notes to Financial Statements  
(continued)  
December 31, 2018

Note 7 – New accounting pronouncements

During the year ended December 31, 2018, the Financial Accounting Standards Board implemented the new accounting standard ASC 606, *Revenue from Contracts with Customers*. This standard did not affect the Company in the current year.

Supplemental Information Required by Rule 17a-5 under the  
Securities Exchange Act of 1934

**Berman Capital, LLC**  
 Computation of Net Capital Under Rule 15c3-1 of the  
 Securities and Exchange Commission  
 As of December 31, 2018

Net Capital	
Total members' equity	\$ 29,640
Subordinated liabilities	-
Non-allowable assets	<u>          -</u>
Net capital	<u>\$ 29,640</u>
Total aggregate indebtedness	<u>\$ -</u>
Computation of Basic Net Capital Requirement	
Minimum net capital required (6-2/3% of total aggregate indebtedness)	<u>\$ -</u>
Minimum dollar net capital requirement of reporting broker	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 24,640</u>
Excess net capital after deducting the higher of 10% of aggregate indebtedness or 120% of required net capital	<u>\$ 23,640</u>
Aggregate indebtedness to net capital ratio	<u>0.00 to 1</u>

Reconciliation Pursuant to Rule 17a-5(d)(2)(iii)  
 As of December 31, 2018

Reconciliation with Company's Computation  
 (Included in Part IIA of Form X-17A-5 as of December 31, 2018)

There was a \$1,500 adjustment to reduce accounts payable between this net capital computation and the corresponding computation included in the Company's unaudited Part IIA FOCUS Report filing.

**Berman Capital, LLC**  
Computation for Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
December 31, 2018

The Company is exempt from the provisions of Rule 15c3-3 under the Securities and 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)(2)(i) of Rule 15c3-3.

---

**Berman Capital, LLC**  
Information Relating to Possession or Control Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
December 31, 2018

A supplementary report pursuant to Rule 17a-5(d)(2)(ii) and the information relating to possession or control requirement under Rule 15c3-3 are not required under Rule 17a-5(e)(1)(i)(A) and Rule 15c3-3(k), respectively.



*office location*  
2700 Ygnacio Valley Road, Ste 270  
Walnut Creek, CA 94598

*mailing address*  
2977 Ygnacio Valley Rd, PMB 460  
Walnut Creek, CA 94598

[www.cropperaccountancy.com](http://www.cropperaccountancy.com)

(925) 932-3860 tel

(925) 476-9930 efax

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
of Berman Capital, LLC

We have reviewed management's statements, included in the accompanying Assertions of Exemption of a Non-Carry Broker or Dealer, in which (1) Berman Capital, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Berman Capital, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(i) (exemption provisions) and (2) Berman Capital, LLC stated that Berman Capital, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Berman Capital, LLC'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 Berman Capital, LLC'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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

### **Engagement Partner Disclosure**

The engagement partner on our audit for the year ended December 31, 2018 was John Cropper. Cropper Accountancy Corporation has served as the Company's auditor since 2018.

*Cropper Accountancy Corporation*  
CROPPER ACCOUNTANCY CORPORATION  
Walnut Creek, California  
February 21, 2019

# BERMAN CAPITAL, LLC

Member FINRA • SIPC

Assertions of Exemption of a Non-Carrying Broker or Dealer required by  
Rule 17a-5(d)(4) of the Securities and Exchange Commission

January 7, 2019

WMB2, LLP  
101 Larkspur Landing Circle  
Suite 200  
Larkspur, CA 94939

Berman Capital, LLC (the Company) is a limited broker-dealer offering investment banking services. The Company does not directly handle customer funds or securities or any other duties associated with a clearing broker or dealer. The Company is registered with the U.S. Securities and Exchange Commission (SEC) in the event a transaction with a public entity requires a broker-dealer to hold credentials with the SEC.

In accordance with Rule 17a-5 of §240 of the Securities and Exchange Act of 1934, the Company performs an annual audit and files "Report pursuant to rule 17a-5 under the Securities Exchange Act of 1934" with the SEC. On that report the Company claims exemption to Rule 15c3-3 based on exemption k (2) (i), which is noted below.

(k) *Exemptions.*

(2) The provisions of this section shall not be applicable to a broker or dealer:

(i) Who, carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with his activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and his customers through one or more bank accounts each to be designated as "Special Account for the Exclusive Benefit of Customers of Berman Capital, LLC".

The nature of the business of the Company qualifies the Company for this exemption. Further, management has evaluated transactions executed for the year and has verified that no customer funds have been received or distributed for securities transactions or for customer accounts and the Company does not maintain customer accounts. Therefore, the Company has met the identified exemption provisions throughout the year ended December 31, 2017 without exception.

Sincerely,

  
Marc L. Berman  
Managing Member

-13-

435 Hill Street  
San Francisco, CA 94114  
435-345-1480  
www.bermancap.com