



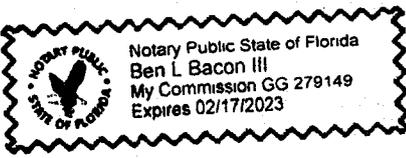
OATH OR AFFIRMATION

I, Carol Romaine, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pacific Alliance Associates LLC as of December 31, 2019, 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:

None

Carol Romaine  
Signature  
Chief Compliance 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).
- (d) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (e) Statement of Cash Flows
- (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, or statement, 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.
- (o) Exemption report under Rule 17a-5(d)(4)

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

# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of  
Pacific Alliance Associates LLC

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Pacific Alliance Associates LLC (the "Company") as of December 31, 2019, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of the Company as of December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement 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 statement is 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 statement, 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.



We have served as the Company's auditor since 2016.  
Abington, Pennsylvania  
February 24, 2020

**PACIFIC ALLIANCE ASSOCIATES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2019**

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**Pacific Alliance Associates LLC**  
**Statement of Financial Condition**  
**December 31, 2019**

**Assets**

Cash	\$ 962,032
Fixed assets, net of accumulated depreciation of \$746	-
Prepaid expenses	12,448
Security deposit	4,750
Right of use asset	7,049
Other assets	1,085
<b>Total Assets</b>	<u><u>\$ 987,364</u></u>

**Liabilities and Member's Equity**

Liabilities:	
Accounts payable and accrued expenses	\$ 12,089
Bonus accrual	378,255
Lease liability	7,049
	<u>397,393</u>
Member's equity	<u>589,971</u>
<b>Total Liabilities and Member's Equity</b>	<u><u>\$ 987,364</u></u>

See accompanying notes to the Statement of Financial Condition

**PACIFIC ALLIANCE ASSOCIATES LLC**  
**Notes to the Statement of Financial Condition**  
**December 31, 2019**

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

***Organization***

Pacific Alliance Associates LLC (the “Company”) was formed in December 2015 as a limited liability company under the laws of the State of Delaware. The Company is a broker dealer registered with the Securities and Exchange Commission (the “SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corp. (“SIPC”).

The Company is a wholly owned subsidiary of PAG Consulting LLC (the “Parent”). Its sole purpose is to provide marketing and consulting services to a foreign affiliate, Pacific Alliance Investment Management Limited, for their access to customers in the United States.

The Company, Pacific Alliance Investment Management Limited, and the Parent are all subsidiaries of the Pacific Alliance Group, a multinational financial services firm headquartered in Hong Kong. See also Note 3.

The Company does not carry securities accounts for customers or perform custodial services and accordingly claims exemption from Rule 15c3-3 under paragraph (k)(2)(i) of the Securities Exchange Act of 1934.

***Basis of Presentation***

The Company’s Statement of Financial Condition has been prepared in accordance with accounting principles generally accepted in the United States of America.

***Accounting Estimates***

The preparation of the Statement of Financial Condition in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities. Actual results could differ from those estimates.

***Revenue Recognition***

In accordance with Accounting Standards Codification (“ASC”) 606, revenue from consulting services are recorded as the fees are earned and are reasonably determinable and collectability is reasonably assured.

***Leases***

The Company adopted ASC 842 which requires the recordation of a right of use asset and related lease liability on the Statement on Financial Condition. Such amounts are based on the Net present value of future lease obligations, using the Company’s effective cost of capital to impute interest.

**PACIFIC ALLIANCE ASSOCIATES LLC**  
**Notes to the Statement of Financial Condition (Continued)**  
**December 31, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***Income Taxes***

The Company is recognized as a Limited Liability Company (an "LLC") by the Internal Revenue Service. No provision has been made for federal and state income taxes, since the Company's income or loss is reportable by its member on its individual tax return.

In accordance with ASC 740, Income Taxes, the Company is required to disclose unrecognized tax benefits resulting from uncertain tax positions. The Company recognized the effect of tax positions only when they are more likely than not to be sustained. At December 31, 2019, the Company did not have any unrecognized tax benefits or liabilities. The Company operates in the United States and in state and local jurisdictions, and the previous three years remain subject to examination by tax authorities. There are presently no ongoing income tax examinations.

**NOTE 2 – NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of the greater of \$5,000 or 6 2/3% of Aggregate Indebtedness and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1).

At December 31, 2019, the Company maintained net capital of \$571,688 which was \$545,665 in excess of its required net capital requirement of \$26,023 and the ratio of aggregated indebtedness to net capital was 0.68 to 1.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company provides marketing and consulting services to an affiliated entity, Pacific Alliance Investment Management Limited ("PAIM") in return for a fixed monthly fee. In addition, pursuant to this agreement, PAIM also pays for travel and entertainment costs incurred by employees of the Company for the benefit of PAIM, with no requirement to repay. As of December 31, 2019, no amounts were due to or from PAIM.

**PACIFIC ALLIANCE ASSOCIATES LLC**  
**Notes to the Statement of Financial Condition (Continued)**  
**December 31, 2019**

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Company derives its revenue from a single client, which is also a related party. As of December 31, 2019, no amounts were due from this client. See also Note 3.

The Company maintains a cash account at a major financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per insured bank account. The Company has not experienced any losses in the past in these accounts.

**NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES**

The Company leases office space pursuant to a two-year lease expiring in 2020. Upon the adoption of ASC 842, the Company recorded a right of use (“ROU”) asset and an operating lease liability of \$34,128, assuming a discount rate of 6.5%, the Company’s estimated incremental borrowing rate. As of December 31, 2019, the Company’s future lease payments and net present value of those lease payments in the accompanying Statement of Financial Condition as follows:

Future lease payments (all in FY 2020)	\$	7,125
Less: Imputed Interest		<u>(76)</u>
Net present value of future lease payments	\$	<u>7,049</u>

The Company had no contingent liabilities as of December 31, 2019.

**NOTE 6 – SUBSEQUENT EVENTS**

The Company evaluated events after December 31, 2019 through the date of this report that would require recognition or disclosure in this financial statement. No events required disclosure in this financial statement.

**PACIFIC ALLIANCE ASSOCIATES LLC**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2019**