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

SEC FILE NUMBER
8-48957

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2019 AND ENDING 12/31/2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ALEXANDER CAPITAL LP

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
17 STATE STREET, 5TH FLOOR

(No. and Street)

NEW YORK

NY

10004

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

NAWROCKI SMITH LP

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

290 BROAD HOLLOW ROAD

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.

**SEC Mail Processing**

MAR 03 2020

**Washington, DC**

**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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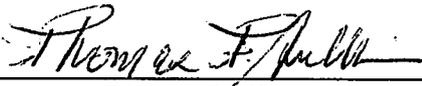
OATH OR AFFIRMATION

I, JOSEPH AMATO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ALEXANDER CAPITAL LP, 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:

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

THOMAS F. SULLIVAN  
Notary Public, State of New York  
No. 01SU6025131  
Qualified in Nassau County  
Commission Expires May 24, 2023

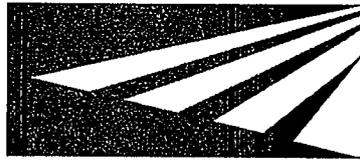
  
\_\_\_\_\_  
Signature  
CEO  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
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).



**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of  
Alexander Capital, LP:

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Alexander Capital, LP (the "Company") as of December 31, 2019, the related statements of operations, changes in member's equity, changes in liabilities subordinated to the 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 Alexander Capital, LP as of December 31, 2019, and the results of its operations and 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 Alexander Capital, LP's management. Our responsibility is to express an opinion on Alexander Capital, LP'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 Alexander Capital, LP 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.

**Supplementary Information**

The information contained in Schedules I and II have been subjected to audit procedures performed in conjunction with the audit of Alexander Capital, LP's financial statements. The supplementary information is the responsibility of Alexander Capital, LP's management. Our audit procedures included determining whether the supplementary 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 supplementary information. In forming our opinion on the supplementary information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as Alexander Capital, LP's auditor since 2014.

Melville, New York  
February 28, 2020

*Nawrocki Smith LLP*

**Alexander Capital, LP**  
**Statement of Financial Condition**

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**December 31, 2019**

**Assets**

Cash	\$379,447
Receivable from and deposit with clearing brokers	271,029
Property and equipment, net	1,711
Prepaid expenses	90,340
Commissions receivable	205,183
Secured demand note	150,000

**Total Assets** **\$ 1,097,710**

**Liabilities and Member's Equity**

**Liabilities:**

Commissions payable	513,000
Commissions payable to related party	37,965
Accounts payable and accrued liabilities	200,302
Secured demand note	150,000

**Total Liabilities** **901,267**

**Member's Equity** **196,443**  
**\$ 1,097,710**

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*See accompanying notes to financial statements.*

# Alexander Capital, LP

## Notes to Financial Statements

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### 1. Business

Alexander Capital, LP (the "Company") is a New York limited partnership formed on March 25, 1996. The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). All securities transactions are cleared through correspondent clearing brokers RBC Capital Markets ("RBC") or AXOS Clearing ("AXOS") on a fully disclosed basis.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

#### *Agreement with clearing brokers*

The Company under Rule 15c3-3(k)(2)(ii) is exempt from preparing a reserve formula computation and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts. Accordingly, all customer transactions are executed and cleared on behalf of the Company by its clearing brokers on a fully disclosed basis.

#### *Property and Equipment*

Furniture and fixtures and other equipment are depreciated over the estimated useful lives of the assets (ranging from 3-7 years) using the straight-line method.

As of December 31, 2019, net property and equipment is comprised of the following:

Furniture, fixtures and equipment	\$119,660
Less: accumulated depreciation	<u>117,949</u>
	\$1,711

#### *Use of Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires Company 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Income Taxes*

As a limited partnership, the Company is considered to be a disregarded entity and thus not subject to Federal or State taxes. However, the Company is subject to a New York City unincorporated income tax, the levy of which is not expected to be a material amount.

# Alexander Capital, LP

## Notes to Financial Statements

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### **Revenue Recognition**

#### *Significant Judgment*

Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

#### *Disaggregation of Revenue*

The Company's significant revenues during 2019 originated from commissions and investment banking.

There were no adjustments deemed necessary to opening Member's Equity related to the rule change.

The Company earns fees from investment brokerage services provided to its customers by a third-party service provider. The Company receives commissions from the third party service provider on a monthly basis based upon customer activity for the month. The fees are recognized monthly and a receivable is recorded until commissions are generally paid by the 15th of the following month. Because the Company (i) acts as an agent in arranging the relationship between the customer and the third-party service provider and (ii) does not control the services rendered to the customers, investment brokerage fees are presented on a gross basis with related costs reflected separately.

Commissions and related clearing expenses that are administered via RBC are currently recorded on a settlement date basis due to the existing accounting protocol at RBC. Commissions and related clearing expenses that are administered via AXOS Clearing are currently recorded on a trade date basis due to the existing accounting protocol at AXOS. There are no material differences between trade date and settlement date revenue amounts.

Investment banking revenues include fees, net of expenses arising from securities offerings in which the company participates. Investment banking revenues also include fees earned from providing financial advisory services. Investment banking revenue is booked when the deal is completed and the income is reasonably determinable.

Material amounts of mutual fund revenues are recorded in the period in which they are earned.

Managed account fees earned at RBC are billed in advance and paid quarterly. The Company defers revenue in three-month increments and recognizes the revenue monthly.

#### Leases - new accounting pronouncement

In February 2016, the FASB issued ASU No. 2016-02, Leases. This update requires all leases with a term greater than 12 months to be recognized on the Statement of Financial Condition through a right of use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2018. The Company has noted that ASU 2016-02 will not have an impact on its financial statements due to the nature of the leases.

# Alexander Capital, LP

## Notes to Financial Statements

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### **3. Receivables from and deposit with clearing broker**

The Company introduces its securities transaction business into RBC Capital Markets LLC and AXOS Clearing LLC. The receivable from clearing brokers represents net cash held by the clearing brokers for commissions generated during the year ended December 31, 2019, and the deposit with the clearing brokers. The Company maintains \$175,000 in deposits with the clearing brokers, which is included in "Receivables from and deposit with clearing broker" in the accompanying Statement of Financial Condition at December 31, 2019.

### **4. Commitment**

#### ***Rent***

The Company has sub-leasing agreements for the rental of office spaces located at 17 State Street, New York, NY, 5379 Arthur Kill Road, Staten Island, NY and 89 Headquarters Plaza Morristown, NJ with Nesa Management LLC, a company controlled by the partners. These sub-leases provide for a payment of approximately \$67,000 per month which includes electricity and related occupancy charges. Rent expense for the year ended December 31, 2019 was \$804,000 and its included as occupancy and equipment on the Statement of Operations.

#### ***Litigation***

The Company is subject to lawsuits and claims that arise in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such lawsuits and claims will not have a material adverse effect on the financial position of the Company.

### **5. Concentration of Credit Risk**

The Company maintains its cash balances at multiple financial institutions. At times, the amount on deposit at these institutions may exceed the maximum balance insured by the Federal Deposit Insurance Corporation ("FDIC").

### **6. Related party transactions**

Through direct or some level of commonality of ownership, the company has five related parties with which it may conduct business. Nesa Management owns a minority percentage and holds the lease for the spaces the Company occupies. Alexander Capital Ventures is a private-equity enterprise who sometimes places the Company's clients in investment opportunities. The Company earned approximately \$1,050,000 in revenues from this business. Arive Capital Markets is a broker dealer who clears their business through a piggy-back arrangement with the Company into the Company's correspondent clearing firms. The Company earned approximately \$25,000 in administrative fees from this business. Alexander Capital Wealth Management and Alexander Capital Insurance Agency bring no material revenue in to the Company.

### **7. Other Income**

The Company's other income is comprised of ticket charges paid by the Company's correspondent clearing firms, administrative fees from clearing business from Arive Capital Markets and broker rebates.

# Alexander Capital, LP

## Notes to Financial Statements

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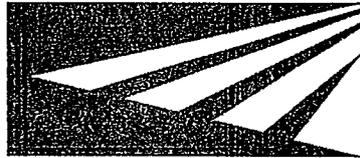
### **8. Regulatory and Net Capital Requirements**

As a registered broker-dealer, the Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires that the Company maintain minimum net capital and that the Company's ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15 to 1. Net capital and aggregate indebtedness change from day to day. As of December 31, 2019, the Company had regulatory net capital of \$209,060, which exceeded its minimum requirement of \$100,000 by \$109,060. The Company's percentage of aggregate indebtedness to net capital was 359% at December 31, 2019.

On March 15, 2019 the firm entered into a Secured Demand Note. The note is for \$150,000. It is to mature on March 15, 2020. The stipulated interest rate is 10%.

### **9. Subsequent Events**

Management has evaluated the possibility of subsequent events existing in the Company's financial statements through February 28, 2020, the date the financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Company's financial statements.



**NawrockiSmith**  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of  
Alexander Capital, LP:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Alexander Capital, LP (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company'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 the Company'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.

Melville, New York  
February 28, 2020

*Nawrocki Smith LLP*

# Alexander Capital, LP

February 28, 2020

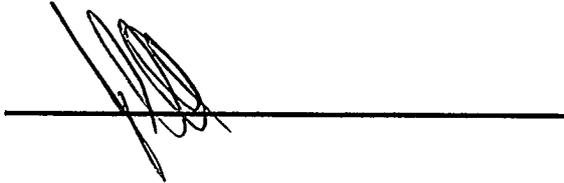
## Exemption Report

Alexander Capital, LP (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3: (k)(2)(ii).

The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k)(2)(ii) throughout the most recent fiscal year without exception.

I, Joseph Amato, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

A handwritten signature in black ink is written over a solid horizontal line. The signature is cursive and appears to read "Joseph Amato".