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

FEB 17 2021

SEC FILE NUMBER
8-48212

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

Washington DC

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Seapower Carpenter Capital, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

23 Corporate Plaza Drive, Suite 150

Newport Beach (City) CA (State) 92660 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
James B. Jones (949) 579-1441  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Alvarez & Associates, Inc. Certified Public Accountants

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

9221 Corbin Ave. Suite 165 Northridge CA 91324  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

<b>FOR OFFICIAL USE ONLY</b>

\*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)

OATH OR AFFIRMATION

I, James B. Jones, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Seapower Carpenter Capital, Inc., as of December 31, 2020, 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: [Handwritten Signature]
Title: EVP

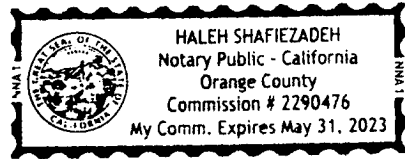
Haleh Shafiezadeh
Notary Public

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).

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 Orange

Subscribed and sworn to (or affirmed) before me on this 27th day of January, 2021 by

James B Jones proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public [Handwritten Signature]

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# ALVAREZ & ASSOCIATES, INC CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and the Stockholder of Seapower Carpenter Capital, Inc.:

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Seapower Carpenter Capital, Inc. (the "Company") as of December 31, 2020, the related statements of operations, changes in stockholder's equity, 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, 2020, 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.

### 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. 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.

### Supplemental Information

The information contained in Schedules I and II ("Supplemental Information") 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, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2018.  
Northridge, California  
February 10, 2021



**SEAPOWER CARPENTER CAPITAL, INC.**  
(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)

**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2020**

**ASSETS**

ASSETS	
Cash	\$ 27,098
Deferred Tax Asset	41,832
Deposit	466
Prepaid expenses	<u>187</u>
TOTAL ASSETS	<u>\$ 69,583</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

LIABILITIES	<u>\$ -</u>
STOCKHOLDER'S EQUITY	
Common stock, no par value, 10,000 shares authorized; 5,000 shares issued and outstanding	35,000
Additional paid-in capital	345,918
Accumulated deficit	<u>(311,335)</u>
	<u>69,583</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 69,583</u>

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUE	
Commission income	\$           -
GENERAL & ADMINISTRATIVE EXPENSES	
Other general & administrative expenses	<u>149,540</u>
	149,540
INCOME (LOSS) FROM OPERATIONS	<u>(149,540)</u>
OTHER INCOME	
Interest income	<u>52</u>
INCOME (LOSS) BEFORE PROVISION/(BENEFIT) FOR INCOME TAXES	(149,488)
PROVISION/(BENEFIT) FOR INCOME TAXES	<u>(41,832)</u>
NET INCOME (LOSS)	<u>\$ (107,656)</u>

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Shares Issued and Outstanding</u>	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
BALANCE AT JANUARY 1, 2020	5,000	\$ 35,000	\$ 250,918	\$ (203,679)	82,239
NET INCOME (LOSS)	-	-	-	(107,656)	(107,656)
CAPITAL CONTRIBUTUION FROM PARENT	-	-	95,000		95,000
<b>BALANCE AT DECEMBER 31, 2020</b>	<u><b>5,000</b></u>	<u><b>\$ 35,000</b></u>	<u><b>\$ 345,918</b></u>	<u><b>\$ (311,335)</b></u>	<u><b>\$ 69,583</b></u>

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income (loss)	\$ (107,656)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Due from parent	16,272
Deferred tax asset	(41,832)
Deposit	31
Prepaid expenses	841
Net Cash Used in Operating Activities:	<u>(132,344)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from additional paid-in capital	95,000
Net Cash Provided by Financing Activities:	<u>95,000</u>
<b>NET DECREASE IN CASH</b>	(37,344)
<b>CASH AT BEGINNING OF YEAR</b>	<u>64,442</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 27,098</u>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the year for:

Income taxes	<u>\$ -</u>
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Interest	<u>\$ -</u>
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The accompanying notes are an integral part of these financial statements.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – Nature of Business and Summary of Significant Accounting Policies**

This summary of significant accounting policies of Seapower Carpenter Capital, Inc. (the Company) is presented to assist in understanding the Company's financial statements.

***Organization and Operations***

Seapower Carpenter Capital, Inc. is incorporated under the laws of the state of California and is a wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company (the Parent).

The Company, a registered broker-dealer with the Securities and Exchange Commission, provides professional securities services with a focus on private best efforts placements of securities for financial services clients, mergers, and acquisitions. These services are incidental to the financial consulting activities of the Parent. The Company is also a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

***Use of Estimates and Assumptions***

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

***Commissions and Consulting fees***

Revenue from commissions is recorded on the closing date of the offering. There were no revenues from commissions or consulting fees recorded during the year ended December 31, 2020.

***Leases***

The Company shares its office space with its Parent under the terms of an expense sharing agreement, which is cancellable with reasonable notice. This agreement is not subject to FASB ASC 842, Leases. The Company records shared expenses monthly as billed.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – Nature of Business and Summary of Significant Accounting Policies**  
**(Continued)**

*Provision for Income Taxes and Deferred Income Taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. The Company files its tax return on a consolidated basis with the Parent under a tax sharing agreement, which requires the Company to provide for taxes on the “separate return” basis. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statements and income tax purposes.

The Company recognizes the effect of income tax positions taken or expected to be taken in a tax return only if those positions are more likely than not capable of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being sustained. Additionally, previously recognized tax positions that no longer meet the more-likely-than-not threshold should be derecognized in the first financial reporting period in which that threshold is no longer met. Changes in recognition or measurement will be reflected in the period in which the change in judgment occurs.

The Company’s income tax filings are subject to audit by various taxing authorities. The Company’s open audit periods are three and four years for federal and California tax filings, respectively. In evaluating the Company’s tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company had no material adjustments to its liabilities for unrecognized income taxes under the guidelines for uncertainty in income taxes and believes their estimates are appropriate based on current facts and circumstances.

*Subsequent Events*

The Company has evaluated subsequent events from the statement of financial condition date through the date at which the financial statements were available to be issued, and determined there are no other items to recognize or disclose in the Company’s financial statements for the year ended December 31, 2020.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 – Basis of Preparation**

The accompanying financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue to fund operations. The Company was not profitable in the current year. The Parent made capital contributions to fund operations and maintain adequate capital during the year. The Parent will continue to fund the Company, if necessary, in future years and has provided the Company with a written commitment to maintain or exceed the minimum net capital requirements on an ongoing basis. Further, the financial statements and notes are the representation of the Company's management, which is responsible for their integrity and objectivity.

**NOTE 3 – Related-Party Activities**

The Parent pays the majority of general and administrative expenses, which are allocated to the Company through the due-to-parent account pursuant to a services and expenses sharing agreement between the Company and its Parent. The agreement provides for allocations that correspond to and are representative of the level of activity of the Company throughout the year. This includes expenses related to back-office support and overhead. The Company paid approximately \$94,953 to the Parent for allocated general and administrative expenses for the year ended December 31, 2020, of which none was payable at December 31, 2020. It is possible that the terms of certain related party transactions are not the same as those that would result for transactions among unrelated parties.

**NOTE 4 – Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Under this rule, the Company is required to maintain "minimum net capital" equivalent to \$5,000 or 6 2/3% of "aggregate indebtedness," whichever is greater, and a ratio of "aggregate indebtedness" to "net capital" less than 15 to 1, as these terms are defined. Rule 15c3-1 also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2020, the Company had net capital of \$27,098 which was \$22,098 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness was zero.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 – Commitment, Guarantees and Contingencies**

Management of the Company believes that there are no commitments, guarantees or contingencies that may result in a material loss or future obligations as of December 31, 2020.

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial markets and the overall economy. In the event such an impact was to occur and last for a sustained period, the operations and financial performance of the Company may be adversely affected. At this point, however, the severity of such an event is highly uncertain and cannot be predicted.

**NOTE 6 – Provision for Income Taxes**

For the year ended December 31, 2020, the Company calculated a provision/(benefit) for income taxes of (\$41,832) based on a pre-tax loss of (\$149,488). During the year ended December 31, 2020, the Company paid the Parent directly for the current year federal and state tax liability.

**NOTE 7 – Recently Issued Accounting Pronouncements**

The Financial Accounting Standards Board (the “FASB”) has established the Accounting Standards Codification (“Codification” or “ASC”) as the authoritative source of generally accepted accounting principles (“GAAP”) recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates (“ASU’s”).

For the year ending December 31, 2020, various ASU’s issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended.

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company’s financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL PURSUANT TO**  
**SEC RULE 15C3-1**  
**DECEMBER 31, 2020**

<b>STOCKHOLDER'S EQUITY PER FINANCIAL STATEMENTS</b>	<b>\$ 69,583</b>
Nonallowable assets	<u>(42,485)</u>
<b>NET CAPITAL</b>	<u>27,098</u>
<b>MINIMUM NET CAPITAL REQUIREMENTS - THE GREATER</b> <b>OF \$5,000 OR 6-2/3% OF AGGREGATE INDEBTEDNESS (\$0)</b>	<u>5,000</u>
Excess net capital	<u>\$ 22,098</u>
<b>AGGREGATE INDEBTEDNESS INCLUDED IN STATEMENT OF</b> <b>FINANCIAL CONDITION</b>	<u>\$ -</u>
<b>RATIO: AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<u>-</u>

Note: A reconciliation of the above computation to the Company's corresponding most recently filed Form X-17A-5, Part IIA, is not required, as no material differences exist.

See Report of Independent Registered Public Accounting Firm.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**SCHEDULE II**  
**COMPUTATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING**  
**TO POSSESSION OR CONTROL REQUIREMENTS UNDER SEC RULE 15c3-3**  
**DECEMBER 31, 2020**

The Company claimed an exemption as a Non-Covered Firm from the provisions in SEA Rule 15c3-3 as the Company's business activities are, and will remain, limited to business activities in the private placement of securities, mergers and acquisitions, and advisory services. The company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3). Accordingly, there are no items to report under the requirements of this Rule.

See Report of Independent Registered Public Accounting Firm.

**Seapower Carpenter Capital, Inc.**  
**Report on Exemption Provisions**  
**Pursuant to 17 C.F.R. § 15c3-3(k)**  
**For the Year Ended December 31, 2020**



**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To Those Charged with Governance and the Stockholder of Seapower Carpenter Capital, Inc.:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Seapower Carpenter Capital, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Seapower Carpenter Capital, Inc. claimed an exemption as a Non-Covered Firm from the provisions in SEA Rule 15c3-3 as the Company's business activities are, and will remain, limited to business activities in the private placement of securities, mergers and acquisitions, and advisory services and (2) Seapower Carpenter Capital, Inc. stated that Seapower Carpenter Capital, Inc. met the identified exemption provisions throughout the year ending December 31, 2020 without exceptions. Seapower Carpenter Capital, 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 Seapower Carpenter Capital, 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 the Non-Covered Firm provision.

*Alvarez & Associates, Inc.*

Alvarez & Associates, Inc.

Northridge, California

February 10, 2021



# SEAPOWER CARPENTER CAPITAL, INC.

## Exemption Report

This is to certify that, to the best of my knowledge and belief:

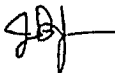
Seapower Carpenter Capital, Inc. ("the Company"), is a registered broker-dealer subject to Rule 17a -5 promulgated by the Securities and Exchange Commission (17 C.F.R. Section 240.17a -5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. Section 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 as a Non-Covered Firm from the provisions in SEA Rule 15c3-3 as the Company's business activities are, and will remain, limited to business activities in the private placement of securities, mergers and acquisitions, and advisory services. The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

The Company met the identified exemption throughout the year ending December 31, 2020 without exceptions.

Thank you,

DocuSigned by:



James B. Jones, E-VP3C0F39E0A41A...