

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123 Expires: Oct. 31, 2023 Estimated average burden hours per response: 12
SEC FILE NUMBER

ANNUAL REPORTS  
FORM X-17A-5  
PART III

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING \_\_\_\_\_ AND ENDING \_\_\_\_\_  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: \_\_\_\_\_

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer       Security-based swap dealer       Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

\_\_\_\_\_  
(No. and Street)  
\_\_\_\_\_  
(City) (State) (Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

\_\_\_\_\_  
(Name) (Area Code – Telephone Number) (Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

\_\_\_\_\_  
(Name – if individual, state last, first, and middle name)  
\_\_\_\_\_  
(Address) (City) (State) (Zip Code)

\_\_\_\_\_  
(Date of Registration with PCAOB)(if applicable) (PCAOB Registration Number, if applicable)

**FOR OFFICIAL USE ONLY**

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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.

## OATH OR AFFIRMATION

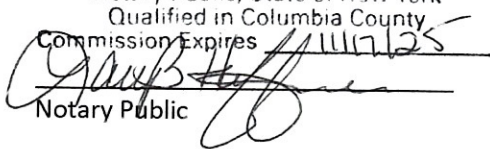
I, Patrick Harris, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of AAG Capital, Inc., as of 3/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

LAURAE B. HOFFMANN 01H05088354

Notary Public, State of New York

Qualified in Columbia County

Commission Expires 11/12/25

  
Notary Public

Signature: 

Title: Chief Compliance Officer

### This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**AAG Capital, Inc.**

---

**Financial Statements and Supplementary Schedules  
Pursuant to Rule 17A-5 under the  
Securities Exchange Act of 1934  
As of and for the period from January 1, 2021 through March 31, 2022**

**Together with the  
Report of Independent Registered Public Accounting Firm**

---

---

## AAG Capital, Inc.

*As of and for the period from January 1, 2021 through March 31, 2022*

---

---

### **Table of Contents**

<b>Report of Independent Registered Public Accounting Firm</b>	1 - 2
<i>Financial Statements</i>	
Statement of Financial Condition	3
Statement of Income	4
Statement of Changes in Shareholder's Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9
<b>Supplementary Information</b>	
<b>Schedule I</b>	
Schedule of Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	10
<b>Schedule II</b>	
Computation for Determination of Reserve Requirements and Information Relating to Possession or Control Requirements under Rule 15c3-3 of the Securities & Exchange Commission	11
<b>Report of Independent Registered Public Accounting Firm on Exemption Report</b>	12
Rule 15c3 Exemption Report	13



## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholder of  
AAG Capital, Inc.:

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of AAG Capital, Inc. (the "Company") as of March 31, 2022, the related statements of income, changes in shareholder's equity, and cash flows for the 15-month period 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 AAG Capital, Inc. as of March 31, 2022, and the results of its operations and its cash flows for the 15-month period 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 AAG Capital, Inc.'s management. Our responsibility is to express an opinion on AAG Capital, Inc.'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 AAG Capital, Inc. 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.

### **Auditor's Report on Supplemental Information**

The supplemental information contained in Schedules I and II have been subjected to audit procedures performed in conjunction with the audit of AAG Capital, Inc.'s financial statements. The supplemental information is the responsibility of AAG Capital, Inc.'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.

We have served as AAG Capital, Inc.'s auditor since 2022.

Hauppauge, New York  
May 20, 2022

*Nawrocki Smith LLP*

---

---

**AAG Capital, Inc.**

Statement of Financial Condition

As of March 31, 2022

---

**ASSETS**

Cash	\$ 501,572
Commissions Receivable	12,651
Prepaid Expenses	<u>7,700</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 521,923</u></b>

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**LIABILITIES**

Accounts payable and accrued expenses	<u>\$ 23,249</u>
Common Stock	1,000
Additional Paid in Capital	118,714
Retained Earnings	378,959
<b>TOTAL EQUITY</b>	<b><u>498,673</u></b>

**TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY** **\$ 521,923**

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

---

---

**AAG Capital, Inc.**

Statement of Income

For the period from January 1, 2021 through March 31, 2022

**REVENUE:**

Commissions	\$ 579,901
Variable Annuities	111,588
Private Placements	129,394
Fees	<u>45,044</u>
 Total Revenue	 <u>865,927</u>

**OPERATING EXPENSES:**

Professional fees	380,625
Other expenses	<u>89,788</u>
 Total Expenses	 <u>470,413</u>

**NET INCOME** \$ 395,514

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

---

---

**AAG Capital, Inc.**

Statement of Changes in Shareholder's Equity  
For the period from January 1, 2021 through March 31, 2022

<b>EQUITY, JANUARY 1, 2021</b>	\$ 13,159
Capital contribution	90,000
Net income	<u>395,514</u>
<b>SHAREHOLDER'S EQUITY, March 31, 2022</b>	<u>\$ 498,673</u>

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

---

---

**AAG Capital, Inc.**

## Statement of Cash Flows

For the period from January 1, 2021 through March 31, 2022

**OPERATING ACTIVITIES:**

Net income	\$ 395,514
Adjustments to reconcile net income to net cash provided by operating activities:	
Net change in operating assets:	
Increase in prepaid expenses	(7,700)
Increase in commissions receivable	(12,651)
Decrease in marketable securities	7,938
Net change in operating liabilities:	
Increase in accounts payable and accrued expenses	18,748
<b>Net Cash Provided by Operating Activities</b>	<u>401,849</u>
<b>FINANCING ACTIVITIES:</b>	
Capital contribution	<u>90,000</u>
<b>Net Cash Provided by Financing Activities</b>	<u>90,000</u>
<b>NET INCREASE IN CASH</b>	491,849
<b>CASH AT BEGINNING OF PERIOD</b>	<u>9,722</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 501,570</u>

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

---

---

## AAG Capital, Inc.

Notes to Financial Statements

For the period from January 1, 2021 through March 31, 2022

### 1. Organization and Nature of Business

AAG Capital, Inc. (the "Company") is a corporation organized under the laws of the State of Florida.

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a limited business broker dealer, engaging in selling Variable Annuities, and Private Placements of Securities. Accordingly, the Company is relying on footnote 74 to SEC Release 34-70073, exempting the firm from Rule 15c3-3 of the Securities Exchange Act.

### 2. Summary of Significant Accounting Policies

**Basis of Presentation** - These financial statements have been prepared on the accrual basis of accounting in conformity with accounting principals generally accepted in the United States of America ("US GAAP").

**Cash** - The Company maintains its cash in a bank account at a high credit quality financial institution. The balance at times may exceed federally insured limits of \$250,000. As of March 31, 2022, cash in excess of federally insured limits totaled \$251,572.

**Estimates** - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities. The disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**Income Taxes** - The Company has elected "S" corporation status. Therefore, no provision for federal or state taxes are made by the Company. Shareholders of a "S" corporation are individually taxed on their pro-rata share of the Company's earnings.

The Company's federal and state returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitations. The Company would recognize accrued interest and penalties associated with uncertain tax positions if any, as part of the income tax provision.

---

## AAG Capital, Inc.

---

Notes to Financial Statements

For the period from January 1, 2021 through March 31, 2022

### 3. Revenue from Contracts with Customers

**Revenue Recognition** - The Company recognizes revenue to depict the facilitation of sales of Private Placements and Variable Annuities to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those transactions. The guidance requires an entity to follow a five step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

**Commission Revenue and Execution and Clearing Costs** - The Company buys and sells Variable Annuities and Private Placements on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date. The Company has determined that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument, counter parties are identified, the pricing is agreed upon and the risks and rewards of ownership have transferred to/from the customer.

Disaggregation of revenues, for the year ended March 31, 2022, can be found on the accompanying statement of income.

### 4. Significant Judgements

Revenue from contracts with customers includes commission income and fees from Variable Annuity and Private Placement services. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment may be 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; whether revenue should be presented gross or net of certain costs; and whether constraints should be applied due to uncertain future events.

### 5. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At March 31, 2022, The Company had net capital of \$490,973 which was \$485,973 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 5%.

---

---

## AAG Capital, Inc.

Notes to Financial Statements

For the period from January 1, 2021 through March 31, 2022

### 6. Indemnifications

In the normal course of its business, The Company indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, The Company. The maximum potential amount of future payments that The Company could be required to make under these indemnifications cannot be estimated. However, The Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that The Company could be required to make under these indemnifications cannot be estimated. However, The Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

### 7. COVID -19

Management has considered the consequences of COVID-19, and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but management has determined that they do not create material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

### 8. Subsequent Events

The Company has performed an evaluation of events, that have occurred subsequent to March 31, 2022, and through the date of this report. There were no subsequent events to report.

## **AAG Capital, Inc.**

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission  
For the period from January 1, 2021 through March 31, 2022

### **SCHEDULE I**

<b>TOTAL SHAREHOLDER'S EQUITY QUALIFIED FOR NET CAPITAL</b>	\$ 498,673
<b>DEDUCTIONS AND/OR CHARGES:</b>	
Non-allowable assets	<u>(7,700)</u>
<b>NET CAPITAL</b>	<u>\$ 490,973</u>
<b>AGGREGATE INDEBTEDNESS:</b>	
Account payable and accrued expenses	<u>\$ 23,249</u>
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT</b>	
Minimum Net Capital Required (greater of \$5,000 or 6.67% of aggregate indebtedness)	<u>\$ 5,000</u>
Excess net capital	<u>\$ 485,973</u>
Net Capital less greater of 10% aggregate indebtedness or 120% of the minimum requirement	<u>\$ 484,973</u>
Percentage of aggregate indebtedness to net capital	5%

There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of March 31, 2022.

## **AAG Capital, Inc.**

---

Computation for Determination of Reserve Requirements and Information Relating to Possession  
or Control Requirements under Rule 15c3-3 of the Securities & Exchange Commission

---

### **SCHEDULE II**

The Company is exempt from the provisions of Rule 15c3-3 for the period 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 footnote 74 of SEC Release No. 34-70073; File No S7-23-11.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholder of  
AAG Capital, Inc.:

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) AAG Capital, Inc. (the "Company") did not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3, and (2) the Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to receiving transaction-based compensation for retailing mutual funds, brokering variable annuities and private placements for clients. In addition, the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, did not carry accounts of or for customers and did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal period (January 1, 2021 through March 31, 2022) without exception.

AAG 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 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 upon the Company's business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5, and related SEC Staff Frequently Asked Questions.

Hauppauge, New York  
May 20, 2022

*Nawrocki Smith LLP*

## AAG Capital, Inc.

---

### Rule 15c3-3 Exemption Report March 31, 2022

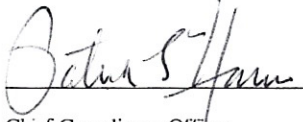
AAG Capital, Inc., (the "Company") is a registered broker-dealer subject to rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. 240.17a-5(d)(1) and (4).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

(1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and

(2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company is a non-covered firm and it limits its business activities exclusively to receiving transaction-based compensation for retailing Mutual Funds, brokering Variable Annuities and Private Placements for clients. The Company (a) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (b) does not and will not carry accounts of or for customers and (c) does not and will not carry PAB accounts, throughout the most recent period from January 1, 2021 through March 31, 2022, without exception.

AAG Capital, Inc.

I Patrick Harris, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



Chief Compliance Officer  
May 20, 2022