

MAR 01 2022

Washington, DC



22003349

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

SEC FILE NUMBER
8-68762

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 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Houlihan Capital, LLC

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.)

200 West Madison Street, Suite 2150  
(No. and Street)  
Chicago IL 60606  
(City) (State) (Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Jules Pomerantz 312-450-8607 jpomerantz@houlihancapital.com  
(Name) (Area Code - Telephone Number) (Email Address)

B. ACCOUNTANT IDENTIFICATION

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

BF Borgers CPA, PC  
(Name - if individual, state last, first, and middle name)  
5400 W. Cedar Ave Lakewood CO 80226  
(Address) (City) (State) (Zip Code)

5041

(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.

RMS

OATH OR AFFIRMATION

I, Jules Pomerantz, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Houlihan Capital, LLC, as of 12/31, 2021, 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.

[Handwritten signature of Notary Public]

Notary Public

Signature: [Handwritten signature of Jules Pomerantz]
Title: Chief Financial 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...
(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: General Assessment Reconciliation pursuant to Form SIPC-7

\*\*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.

**HOULIHAN CAPITAL, LLC**

**TABLE OF CONTENTS**

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	3
Statement of Financial Condition	4
Notes to Financial Statements	5-7

## **Report of Independent Registered Public Accounting Firm**

To the Directors and Equity Owners of Houlihan Capital, LLC.

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

We have audited the accompanying statement of financial condition of Houlihan Capital, LLC (the "Company") as of December 31, 2021, the related statements of operations, changes in stockholder's equity, and cash flows for the years 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, 2021, and the results of its operations and its cash flows for the years 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 audits. 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 audits 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 audits 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 audits 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 audits 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 audits provide a reasonable basis for our opinion.

### **Supplemental Information**

The information contained in "Supplemental Schedule" 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, "Supplemental Schedule" are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### ***BF Borgers CPA PC***

We have served as the Company's auditor since 2015.

Lakewood, CO

February 23, 2022

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

**HOULIHAN CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	\$
Cash and cash equivalents	909,443
Accounts receivable	104,650
Other assets	<u>61,568</u>
	\$
<b>TOTAL ASSETS</b>	<u><u>1,075,661</u></u>
<b>LIABILITIES &amp; MEMBER'S EQUITY</b>	
<b>CURRENT LIABILITIES</b>	\$
Accounts payable	1,786
Accrued expenses	17,174
Compensation payable	<u>259,450</u>
<b>TOTAL LIABILITIES</b>	\$ <u>278,410</u>
 <b>COMMITMENTS AND CONTINGENCIES (Notes 3 and 5)</b>	
 <b>MEMBER'S EQUITY (Note 2)</b>	 797,251
	<u>\$</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u><u>1,075,661</u></u>

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

## HOULIHAN CAPITAL, LLC

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **The Company**

Houlihan Capital, LLC (the “Company” or “HCAP”), formed as a Nevada limited liability company on August 6, 2010, is a specialized investment banking firm that provides merger and acquisition advisory services, institutional private placement and capital raises, liquidity solutions, transactional advisory, secondary market advisory and trading services. The Company is a wholly-owned subsidiary of Houlihan Capital Holdings, Inc. (“HCH”), a Nevada corporation. The Company became licensed as a broker-dealer with the Securities and Exchange Commission (“SEC”) on July 6, 2011 and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

##### **15c3-3 Exemption**

The Company, under Rule 15c3-3(k)(2)(i) is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts.

##### **Cash and Cash Equivalents**

The Company considers money market funds with a maturity of three months or less to be cash equivalents.

##### **Income Taxes**

The Company is a limited liability company for income tax purposes and, accordingly, income or loss of the Company flows through to HCH.

##### **Revenue Recognition**

In connection with the Company’s investment banking activities, revenues and any related expenses are recognized when earned in accordance with the applicable agreements. Other income is recognized as earned.

Business services revenue includes fees earned from providing merger and acquisition and other advisory services to clients. Revenue is recognized when earned, which generally occurs as services are performed or upon consummation of a transaction.

Revenue from Contracts with Customers Standard (ASU 2014-09) core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 prescribes a five-step process to accomplish this core principle, including:

## HOULIHAN CAPITAL, LLC

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

##### **Revenue Recognition (concluded)**

- Identification of the contract with the customer;
- Identification of the performance obligation(s) under the contract;
- Determination of transaction price;
- Allocation of the transaction price to the identified performance obligation(s); and
- Recognition of revenue as (or when) an entity satisfies the identified performance obligation(s).

The Company recognizes revenue upon completion of a success fee-based transaction as this satisfies the only performance obligation identified in accordance with this standard.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

#### **NOTE 2 - NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. As of December 31, 2021 the Company had net capital and net capital requirements of \$631,033 and \$18,561, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 0.44 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

#### **NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS**

The Company occupies office space which is leased by HCH. The Company is charged on a month to month basis for approximately 10% of the entire amount of the rent. Total rent expense of \$36,238 was charged to operations during the year ended December 31, 2021.

HCH pays a significant portion of general overhead expenses on behalf of the Company and is reimbursed by the Company for such expenses. During the year ended December 31, 2021, the Company reimbursed HCH for indirect overhead support costs of \$28,344.

The Company held intercompany balances due to and from HCH and other affiliates during the year. The distribution to HCH of \$1,488,858 during the year ended December 31, 2021 represents a reduction of an intercompany receivable due from HCH and was not settled in cash.

**HOULIHAN CAPITAL, LLC**

**NOTES TO FINANCIAL STATEMENTS**

*(continued)*

***NOTE 4 – PPP LOAN***

The Company received a loan from Libertyville Bank & Trust Co., N.A., directly in the amount of \$96,333 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to notes dated February 9, 2021. The Company applied for and has been notified that \$96,333 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in Other Income in the accompanying statement of operations.

***NOTE 5 - CONTINGENCIES AND OFF-BALANCE SHEET RISKS***

In the Company's investment activities, the Company may receive securities for its services and may incur losses if the market value of the securities declines subsequent to December 31, 2021.

The Company's financial instruments, including cash and cash equivalents, accounts receivable, other assets, and accounts payable, are carried at amounts which approximate fair value due to the short-term nature of those instruments.

***NOTE 6 - SUBSEQUENT EVENTS***

The Company has performed an evaluation of subsequent events through the date the financial statements were issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.