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Washington, D.C. 20549

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**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 01/01/21 AND ENDING 12/31/21  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Battery East Group, 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.)

915 Battery Street, 1st Floor

(No. and Street)

San Francisco

CA

94111

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Clark Tucker

205-721-0507

tucker@scenicadvisement.com

(Name)

(Area Code – Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

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

Spicer Jeffries LLP

(Name – if individual, state last, first, and middle name)

4601 DTC Boulevard

Denver

CO

80237

(Address)

(City)

(State)

(Zip Code)

10/20/2003

349

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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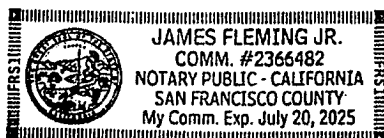
\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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.

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OATH OR AFFIRMATION

I, Michael Sobel, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Battery East Group, 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.



Signature: Michael Sobel
Title: President & COO

[Signature]
Notary Public

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.

**Battery East Group, LLC**  
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**December 31, 2021**

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SPICER JEFFRIES LLP  
Certified Public Accountants

SEC Mail Processing

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Washington, DC

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Battery East Group, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Battery East Group, LLC (the “Company”) as of December 31, 2021, and the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2021 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 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.

*Spicer Jeffries LLP*

We have served as Battery East Group, LLC auditor since 2020.

Denver, Colorado  
February 26, 2022



**Battery East Group, LLC**  
**Statement of Financial Condition**  
**December 31, 2021**

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	<u>2021</u>
<b>Assets</b>	
Cash	\$ 4,844,119
Prepaid expenses and other assets	443,944
Fixed assets, net of accumulated depreciation and amortization of \$1,031,370	726,819
Operating lease right-of-use asset	<u>410,782</u>
Total assets	<u>\$ 6,425,664</u>
<b>Liabilities and Member's equity</b>	
Liabilities	
Accounts payable and accrued expenses	\$ 1,127,171
Paychek Protection Program Loan	232,085
Operating lease liabilities	466,406
Due to Member	<u>48,848</u>
Total liabilities	<u>1,874,510</u>
Member's equity	4,551,154
Total Liabilities and Member's Equity	<u>\$ 6,425,664</u>

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

**Battery East Group, LLC**  
**Schedule I**  
**As of December 31, 2021**

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**1. Organization and Summary of Accounting Policies**

***Organization and Nature of Business***

Battery East Group LLC, dba Scenic Advisement, (the "Company") is a Delaware Limited Liability Company formed on August 29, 2013, and its principal place of business is located in San Francisco, California. The Company is a private placement broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC"), on August 15, 2014, and is regulated by the Financial Industry Regulatory Authority ("FINRA"). The Company is a registered broker-dealer in the state of California effective August 20, 2014, and also registered with 18 additional states.

In 2019, the company underwent an ownership structure change. Effective September 5, 2019, the Company interposed a newly formed entity, Scenic Advisement, Inc., to represent the sole ownership in the Company, thereby replacing the four individual members. Scenic Advisement, Inc., now the sole member of the Company, is owned by the four former members of the Company. This change in ownership has no effect on the Company's business operations, management and/or control.

In accordance with the Company's operating agreement, the Company will continue in existence unless dissolved by the member.

The Company is an investment banking advisory firm providing advice to corporations, private equity investors, partnerships and institutions. The Company provides high quality independent advice and transaction execution capabilities to corporations and investors in connection with secondary market transactions in private company shares. In 2018, the Company had started providing wealth management services to clients which it ceased to provide in the current year.

The Company does not hold customer funds or safe keep customer securities and therefore files an exemption report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3.

***Basis of Presentation***

The financial statements of the Company have been prepared using accounting principles generally accepted in the United States of America ("U.S. GAAP"). Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

***Revenue from Contracts with Customers***

In accordance with ASU Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, revenue from contracts with customers is recognized when, or as, the Company satisfies performance obligations by transferring the promised goods or services to the customers. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring progress in satisfying the performance obligation in a manner that depicts the transfer of the goods or services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized when it is determined the customer obtains control over the promised good or service. The amount of revenue recognized reflects the consideration the Company expects to be entitled to in exchange for those promised goods or services (i.e., the "transaction price"). In determining the transaction price, the Company considers multiple factors, including the effects of variable consideration. Variable consideration is included in the transaction price only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainties with respect to the amount are resolved. In determining when to include variable consideration in the transaction price, the Company considers the range of possible outcomes, the predictive value of past experiences, the time period of when uncertainties expect to be resolved and the amount of consideration that is susceptible to factors outside of the Company's influence, such as market volatility or the judgment and actions of third parties.

**Battery East Group, LLC**  
**Schedule I**  
**As of December 31, 2021**

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The following provides detailed information on the recognition of the Company's revenue from contracts with customers:

***Investment Banking Success Fees/Commission Income***

Investment banking services are performed pursuant to engagement letters that specify the services to be provided and fees and reimbursements to be paid. These contracts result in a single performance obligation upon completion of the transaction process. Success Fees are contingent on the completion of the contracts and are calculated based on closing price.

***Contract Balances***

Income is recognized upon completion of the related performance obligation and when an unconditional right to payment exists. The timing of revenue recognition may differ from the timing of customer payments. Fees received prior to the completion of the performance obligation are recorded as deferred revenue on the statement of financial condition until such time when the performance obligation is met.

There was no deferred revenue at December 31, 2021.

***Contract Costs***

Direct incremental costs to obtain a contract or fulfill a contract are evaluated under the criteria for capitalization on a contract by contract basis. There were no capitalized contract costs at December 31, 2021.

***Cash***

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. Deposits held by commercial bank may, at times, exceed federally insured limits. The Company has never experienced any losses related to this balance. As of December 31, 2021, there were no cash equivalents.

***Accounts Receivable***

Accounts receivable consists of amounts due from services provided under investment banking and wealth management. There are no accounts receivable at December 31, 2021, and therefore, no allowance for doubtful accounts has been provided.

***Fair Value of Financial Instruments***

The Company recognizes and measures its fair value of financial instruments in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 820 which defines fair value, establishes a framework for measuring fair value, and establishes a hierarchy of fair value inputs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. The Company has cash valued at \$4,844,119, it is carried as a level 1 input at December 31, 2021.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly. The Company has prepaid expenses and other assets, accounts payable and

**Battery East Group, LLC**  
**Schedule I**  
**As of December 31, 2021**

accrued expenses, due to member and operating lease liability valued at \$443,944 \$1,127,171, \$48,848 and \$466,406 respectively, which are carried as level 2 inputs at December 31, 2021.

Level 3 - Unobservable inputs for the assets or liabilities. The Company does not have any level 3 inputs at December 31, 2021.

**Fair value of Instruments at December 31, 2021**

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>					
Cash	\$ 4,844,119	\$ 4,844,119	\$ -	\$ -	\$ 4,844,119
Prepaid expenses and other assets	443,944	-	443,944	-	443,944
<b>Liabilities</b>					
Accounts payable and accrued expenses	1,127,171	-	1,127,171	-	1,127,171
Due to Member	48,848	-	48,848	-	48,848
Operating lease liabilities	466,406	-	466,406	-	466,406
<b>Instruments, at fair value</b>	<b><u>\$ 6,930,488</u></b>	<b><u>\$ 4,844,119</u></b>	<b><u>\$ 2,086,369</u></b>	<b><u>\$ -</u></b>	<b><u>\$6,930,488</u></b>

**Accounting Policies for Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Office equipment and furniture are depreciated over their useful lives of seven years. Computers and electronics are depreciated over their useful lives of three years. Tenant improvements are amortized over the lesser of the asset's useful life or the term of the lease. Website development is amortized over its three-year useful life.

**Use of Estimates**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and revenue and expenses, as well as contingent assets and liabilities during the reporting periods. Actual results could differ from those estimates.

**Income Taxes**

The Company is a single member limited liability company and is treated as a disregarded entity for income tax reporting purposes. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the ultimate beneficial individual member for federal, state and certain local income taxes. Accordingly, the Company has not provided for income taxes.

At December 31, 2021, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require.

**Leases**

The Company is the lessee for its corporate office located in San Francisco, CA and classifies it as an operating lease. The Company calculates the net present value of the lease liability by using its incremental borrowing rate and taking into consideration the remaining term of the lease agreement and options to extend, if any, that are reasonably certain to be exercised, and records a lease liability and offsetting right-of-use ("ROU") lease asset to its opening statement of financial condition.

**Battery East Group, LLC**  
**Schedule I**  
**As of December 31, 2021**

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**2. Fixed Assets**

The components of the Company's fixed assets as of December 31, 2021, were as follows:

	<u>2021</u>
Tenant improvements	\$ 715,771
Furniture and equipment	229,041
Website development	756,275
Computers and electronics	<u>57,102</u>
	1,758,189
Less: Accumulated depreciation and amortization	<u>(1,031,370)</u>
Net fixed assets	<u>\$ 726,819</u>

**3. Prepaid Expenses and Other Assets**

Prepaid expenses and other assets consisted of the following as of December 31, 2021:

	<u>2021</u>
Prepaid expenses	\$ 321,981
Other assets	
FINRA flex account	88
Security deposit	<u>121,875</u>
Total prepaid expenses	<u>\$ 443,944</u>

**4. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consisted of the following as of December 31, 2021:

	<u>2021</u>
Accounts payable and accrued expenses	
Accrued cash balance and profit sharing contribution	\$ 400,000
Accounts payable	<u>727,171</u>
Total accounts payable and accrued expenses	<u>\$ 1,127,171</u>

**5. Member's Equity**

The Company is a limited liability company and, as such, no member shall have any personal liability to the Company, any other member or to any creditor of the Company for the debts of the Company beyond the amount contributed by the member to the Company.

Contributions and withdrawals by the member may be made from time to time as per the terms of the Company's LLC Agreement.

**6. Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1) (the "Rule"), which, among other items, requires the maintenance of minimum net capital and the maintenance of a maximum ratio of aggregate indebtedness to net capital, both as defined by the Rule, of 15 to 1. The Rule also restricts the timing and amounts of capital withdrawals or dividends paid. At December 31, 2021, the Company had net regulatory capital of \$3,612,476, which was \$3,530,366 in excess of its minimum required net capital of \$82,110 for the year ended December 31, 2021. The Company's ratio of aggregate indebtedness to net capital was 0.34 to 1.0 as of December 31, 2021.

**Battery East Group, LLC**  
**Schedule I**  
**As of December 31, 2021**

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**7. Leases**

The Company has one operating lease for its corporate office located in San Francisco, CA. This lease, which commenced on July 1, 2016, is for a period of 7 years. Under the provisions of this lease no rent was due for the first 4 months of the lease term and in the month of July 2017 and 2018. Starting November 1, 2016 rent at a base rate of \$24,375 per month was due and included a 1.93% market value increase per year. Current security deposit of \$121,875 is held by the landlord.

Leases with an initial term of 12 months or less are not recorded on the Statement of Financial Condition, and the Company recognizes lease expense for these leases on a straight-line basis over the lease terms. Leases with terms greater than 12 months are included in operating lease ROU asset and operating lease liability in the Company's Statement of Financial Condition as of December 31, 2021. Lease expense for lease payments is recognized on a straight-line basis over the lease term. As of December 31, 2021, the Company did not execute any lease agreements with a term less than 12 months.

The company is using a discount rate of 6% to calculate the net present value of lease payments.

Maturities of lease liabilities as of December 31, 2021 are as follows:

Year ending December 31

	2022	327,775
	2023	<u>161,192</u>
		488,967
	Less: imputed interest	<u>(22,561)</u>
	Present value of lease liabilities	<u>\$ 466,406</u>

**8. Employee Retirement Plans**

The Company established a Cash Balance plan covering all eligible employees as of January 1, 2018. The plan includes a 5% interest rate. All amounts will be funded by the required due date in fiscal year 2021. All employees are fully vested in the Cash Balance Plan within the year the contribution to the plan is made.

The Company also established a Profit Sharing 401(k) plan covering all eligible employees effective January 1, 2018. The contributions have been accrued at year end. Certain members of the Company serve as trustees for both plans. In addition an employee becomes 100% vested with respect to the employer contributions after completing 6 years of service starting in 2018.

**9. Indemnifications**

The Company enters into contracts that contain various indemnifications. The Company's maximum exposure under these agreements is not estimable. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of material loss to be remote.

**10. Contingencies**

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial markets and the overall economy. In the even such an impact were to occur and last for a sustained period of time, 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.

**11. Subsequent Events**

Management has evaluated all events and transactions that occurred after December 31, 2021, up through February 26, 2022, the date these financial statements were available to be issued. No events have occurred outside the normal course of operations which would require additional disclosure or adjustment.