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

OMB APPROVAL  
OMB Number: 3235-0123  
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**FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/15 AND ENDING 12/31/15  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: NATHAN HALE CAPITAL, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

227 W TRADE ST - STE 2150

(No. and Street)

CHARLOTTE

(City)

NORTH CAROLINA

(State)

28202

(Zip Code)

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

GARY C. GALARPE

980-237-4750

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

CHERRY BEKAERT LLP

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

1111 METROPOLITAN AVENUE

(Address)

CHARLOTTE

(City)

NC

(State)

28204

(Zip Code)

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

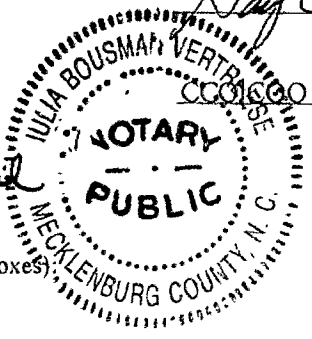
I, GARY C. GALARPE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NATHAN HALE CAPITAL, LLC, as of DECEMBER 31, 2015, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

Gary C. Galarpe  
Signature

\_\_\_\_\_  
Title

Julia Bousman Vertrees  
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (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).

# **NATHAN HALE CAPITAL, LLC**

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

As of and for the year ended December 31, 2015  
And Report of Independent Registered Public Accounting Firm

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## Report of Independent Registered Public Accounting Firm

The Members of  
Nathan Hale Capital, LLC  
Charlotte, North Carolina

We have audited the accompanying statement of financial condition of Nathan Hale Capital, LLC (the "Company") as of December 31, 2015, and the related statements of income, changes in member's capital, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015, 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 of America.

The supplemental information contained in Schedule 1 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 statement 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 Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
February 25, 2016

**NATHAN HALE CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2015

ASSETS

Cash in bank	\$ 105,836
Receivable from Clearing organization	4,513,620
Securities owned, at fair value	215,251,297
Prepaid expense and other assets	138,765
Property and equipment, net	<u>161,029</u>
Total assets	\$ <u>220,170,547</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:	
Accounts payable	\$ 75,638
Accrued expenses	162,932
Commissions payable	533,557
Subordinated loans payable	6,000,000
Payable to Clearing organization	83,115,899
Securities sold, not yet purchased at fair value	121,233,928
Total liabilities	<u>211,121,954</u>
Members' equity	<u>9,048,593</u>
Total liabilities and members' equity	\$ <u>220,170,547</u>

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

**NATHAN HALE CAPITAL, LLC**  
**STATEMENT OF INCOME**

YEAR ENDED DECEMBER 31, 2015

Revenues:		
Net trading revenue		\$ 12,991,402
Other income		<u>37,504</u>
Total revenues		13,028,906
Expenses:		
Salaries, benefits and payroll taxes	\$ 7,288,778	
Interest	1,908,084	
Ticket charges	890,658	
Data subscriptions	742,426	
Trading charges	544,919	
Rent	199,599	
Professional fees	150,626	
Licenses, registrations, taxes and other fees	139,885	
Depreciation	33,086	
Gain on disposal of assets	(375)	
Other	<u>281,472</u>	
Total expenses		<u>12,179,157</u>
Net Income		\$ <u>849,749</u>

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

**NATHAN HALE CAPITAL, LLC**  
**STATEMENT OF MEMBERS' EQUITY**

YEAR ENDED DECEMBER 31, 2015

Balance at December 31, 2014	\$ 8,379,803
Capital withdrawals	(605,959)
Capital contributions	425,000
Net Income	<u>849,749</u>
Balance at December 31, 2015	\$ <u>9,048,593</u>

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



**NATHAN HALE CAPITAL, LLC**  
**STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:		
Net income		\$ 849,749
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on disposal of assets	\$ (375)	
Depreciation	33,086	
Changes in operating assets and liabilities:		
Increase in receivable from Clearing organization	(1,453,137)	
Decrease in accrued expenses	90,181	
Increase in securities owned, net	(97,851,891)	
Increase in prepaid expenses and other assets	268,665	
Increase in payable to Clearing organization	18,909,008	
Increase in securities sold, not yet purchased	79,429,346	
Decrease in payroll liabilities	(49,150)	
Increase in commissions payable	91,405	
Increase in accounts payable	<u>10,310</u>	
Total adjustments		<u>(522,552)</u>
Net cash flows provided by operating activities		327,197
Cash flows from investing activities:		
Acquisitions of property and equipment	<u>(129,571)</u>	
Net cash used for investing purposes		(129,571)
Cash flows from financing activities:		
Capital contributions by members	425,000	
Distributions to members	<u>(605,959)</u>	
Net cash flows used for financing activities		<u>(180,959)</u>
Net increase in cash		16,667
Cash at beginning of year		<u>89,169</u>
Cash at end of year		\$ <u><u>105,836</u></u>

SUPPLEMENTAL CASH INFORMATION

Cash paid for interest	\$ <u><u>1,908,084</u></u>
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The accompanying notes are an integral part of these financial statements.

**NATHAN HALE CAPITAL, LLC**  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Nathan Hale Capital, LLC (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and Financial Regulatory Authority (FINRA). The Company was formed under the laws of the State of Nevada maintaining its principal office in Charlotte, North Carolina with branch offices in Carlsbad, CA, Florham Park, NJ, and Reno, NV. The Company is subject to a minimum net capital requirement of \$100,000 pursuant to SEC Rule 15c3-1. The Company operates pursuant to the (k)(2)(ii) exemptive provision of SEC Rule 15c3-3. The Company's activities are primarily comprised of purchasing and selling government and agency securities, corporate obligations and bank Certificates of Deposit, and holding these types of securities for the Company's own account.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Clearing Organizations

The Company has an agreement with other securities brokers and dealers (primarily one organization) to act as clearing organizations for the Company. The clearing organizations clear all security transactions and maintain customer accounts.

The Company is required to maintain certain deposit levels with clearing organizations. The amount of the deposit depends on the agreement with the clearing organization and the exchange market requirements. As of December 31, 2015, the Company had deposit levels with clearing organizations exceeding the requirements. Deposits with clearing organizations are included in amounts Receivable from Clearing Organization on the balance sheet.

Marketable Securities Owned and Securities Sold, Not Yet Purchased

Marketable securities consist of fixed income securities and are generally valued at quoted market values. If a quoted market value is not available, fair value is determined using quoted market prices for similar investment securities. Security transactions and any related gains or losses are recognized on the trade date. Cost is determined by the average cost method for the purpose of computing realized gains or losses on investment securities.

**NATHAN HALE CAPITAL, LLC**  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Securities sold, not yet purchased consist of debt securities that the Company has sold short in order to facilitate a short sale, the Company borrows the securities from another party and delivers the securities to the buyer. The Company will be required to cover its short sale in the future through the purchase of the security in the market at the prevailing market price and deliver it to the counterparty from which it borrowed. The Company is exposed to a loss to the extent that the security price increases during the time from when the Company borrowed the security to when the Company purchases it in the market to cover the short sale.

Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification 820 (FASB ASC 820) 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 broad levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that The Company can access at the measurement date.

Level 2 – Inputs other than the quoted prices included within level 1 that are observable for the asset or liability.

Level 3 – Unobservable inputs for the asset or liability.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of the markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

**NATHAN HALE CAPITAL, LLC**  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. Continued

Revenue Recognition

Revenue associated with the Company's securities' transactions is recognized on a trade date basis. Securities owned and contracts to purchase securities in the future are recorded at market value and, accordingly, any changes in market value are recognized in the statement of income. Market value is determined based on active exchanges (established exchanges and "over-the-counter" exchanges) in the United States.

Income Taxes

The Company is a limited liability corporation and is not taxed at the entity level. Instead, its items of income, loss, deduction, and credit are passed through to its member owners in computing their individual tax liabilities.

Management has evaluated the effect of the accounting guidance provided by accounting for uncertainty in income taxes. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Company had no uncertain income tax positions at December 31, 2015.

**NATHAN HALE CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

DECEMBER 31, 2015

**(2) SECURITIES OWNED AND SECURITIES SOLD, NOT YET PURCHASED**

The following table presents the Company's assets and liabilities and related valuation inputs within the fair value hierarchy utilized to measure as of December 31, 2015, on a recurring basis:

Marketable Securities Owned	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government and asset-backed				
Agency securities	\$ <u>-</u>	\$ <u>174,034,826</u>	\$ <u>-</u>	\$ <u>174,034,826</u>
Corporate and asset-backed				
Non-agency securities	\$ <u>-</u>	\$ <u>6,120,987</u>	\$ <u>-</u>	\$ <u>6,120,987</u>
Municipal securities	\$ <u>-</u>	\$ <u>35,095,484</u>	\$ <u>-</u>	\$ <u>35,095,484</u>
Total				\$ <u>215,251,297</u>
Securities Sold, not yet purchased				
Government and asset-backed				
Agency securities	\$ <u>-</u>	\$ <u>120,620,363</u>	\$ <u>-</u>	\$ <u>120,620,363</u>
Corporate and asset-backed				
Non-agency securities	\$ <u>-</u>	\$ <u>608,489</u>	\$ <u>-</u>	\$ <u>608,489</u>
Municipal securities	\$ <u>-</u>	\$ <u>5,076</u>	\$ <u>-</u>	\$ <u>5,076</u>
Total				\$ <u>121,233,928</u>

Trading securities are based on quoted market prices in active markets for similar assets and liabilities.

The securities are purchased on margin with the Clearing organization and the liability related to such purchases is included under the caption "Payable to Clearing organization" on the Statement of Financial Condition. To the extent that the Company has received proceeds from short-sale positions, the proceeds have reduced the amount of inventory financing payable. See Note 3.

**(3) PAYABLE TO CLEARING ORGANIZATION**

Payable to Clearing organization consists of the following:

Inventory financed, net of proceeds received by	
Clearing firm related to short sales	\$ 83,115,899
Securities sold, not yet purchased – at market value	<u>121,233,928</u>
Total due Clearing firm	\$ <u>204,349,827</u>

**NATHAN HALE CAPITAL, LLC**  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2015

**(4) TRADING ACTIVITIES AND RELATED RISKS**

The Company actively trades government, corporate and agency securities and bank certificates of deposit. Positions in these securities are subject to varying degrees of market and credit risk.

Market prices are subject to fluctuation and, as such, the Company is exposed to market risk. The fair value of the Company's investments will fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest-rate sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. Market risk is directly impacted by the volatility and liquidity in the markets in which financial instruments are traded. The Company monitors its exposure to market risk, or its market risk profile, on a daily basis through a variety of financial, security position, and control procedures.

Credit risk is the possibility of debt securities being downgraded by the rating agencies or going into default due to non-performance by issuers. The Company attempts to minimize inventory credit risk by trading either governmental-agency securities, corporates or securities that are AAA rated by two or more debt security rating services or Certificates of Deposit that are insured by the Federal Deposit Insurance Corporation. The Company's counter-party risk is minimized by trading only with institutional parties and by clearing trades via the Federal Wire and the Deposit Trust Company ("DTC"), which ensure settlements occur simultaneously for both sides of the trade.

**(5) RENTAL OF OFFICE FACILITIES**

The Company occupies office space under a lease agreement expiring April 30, 2020, calling for payments as follows:

Year Ended	Annual Rent		
December 31	Charlotte, NC	Carlsbad, CA	
2016	\$127,371	\$138	
2017	115,325		
2018	118,789		
2019	122,348		
2020	51,969		
	<u>\$535,802</u>	<u>\$138</u>	<u>\$535,939</u>

**NATHAN HALE CAPITAL, LLC**  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2015

(6) 401(K) PLAN

The Company sponsors a 401(k) retirement plan for all eligible employees who have a minimum of three months of service and have attained the age of twenty-one. The Company made discretionary contributions of \$81,181 to such plan during 2015.

(7) CONCENTRATION OF CREDIT RISK FOR CASH HELD AT BANKS

The Company maintains a cash account at Bank of America which had a bank balance of \$105,836 at December 31, 2015. Accounts at this institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

(8) NET CAPITAL

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule ("Rule 15c3-1"). Rule 15c3-1 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.

Rule 15c3-1 further requires that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. In addition, certain advances, payment of dividends, and other equity withdrawals are subject to certain notification provisions of Rule 15c3-1. At December 31, 2015, the Company had net capital, after deducting regulatory haircuts on securities and other non-allowable assets, of \$7,744,292 which exceeded its required minimum net capital by \$7,644,292.

The Company's net capital ratio was .0945 to 1. The Company claims exemption from SEC Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) of the Rule.

**NATHAN HALE CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

DECEMBER 31, 2015

**(9) SUBORDINATED LOANS PAYABLE**

On Jan 31, 2014, the Chairman – Mark Elmore provided \$6,000,000 to the company through FINRA approved loans. The loans are evidenced by five separate agreements in the amount of \$1,200,000 each, with maturities on three, four, five, six and seven year terms. The loans maturity dates will be automatically extended for successive one-year terms unless the lender directs the Company to give written notice to FINRA, not less than thirteen months prior to the scheduled maturity date of each loan, of the Company's election not to extend the maturity.

If the Company average return on equity for three years immediately preceding any Loan maturity date is greater than or equal to twenty percent (20%), the lender may purchase, in an amount equal to the maturing loan principal, Class A non-voting Membership Interests at book value without regard to any goodwill. If the Company's average return on equity for the three years immediately preceding the any Loan maturity date is less than twenty percent (20%) any maturing principal shall be payable in cash.

As of December 31, 2015, \$40,000 of interest has been accrued and is included in Accrued Expenses on the balance sheet.

**(10) RELATED PARTY TRANSACTION**

During the year ended December 31, 2014, a trader incurred a material loss on his account and was required to make the Company whole. The amount receivable from the trader was \$300,000 at December 31, 2014. The amount was repaid in 2015.

**(11) SUBSEQUENT EVENTS**

Management has evaluated subsequent events and transactions occurring after year-end through the date that the financial statements were available for issuance which was February 25, 2015. No transactions or events were found that were material enough to require recognition in the financial statements.



**NATHAN HALE CAPITAL, LLC****SCHEDULE 1 - COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1**

DECEMBER 31, 2015

Total members' equity		\$ 9,048,593
Subordinated loans and accrued interest		\$ 6,040,000
Adjustments – non-allowable assets:		
Prepaid expenses and other assets	\$ (138,765)	
Property and equipment, net	<u>(161,029)</u>	
Total adjustments		<u>(299,794)</u>
Net capital before haircuts		14,788,799
Haircuts on security positions:	<u>(7,044,507)</u>	<u>(7,044,507)</u>
Net capital		7,744,292
Minimum net capital required (6-2/3% of total aggregate indebtedness or \$100,000, whichever is greater)		<u>(100,000)</u>
Excess net capital		\$ <u>7,644,292</u>

COMPUTATION OF RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL

Total aggregate indebtedness	\$ <u>732,125</u>
Ratio of aggregate indebtedness to net capital	<u>.0958 to 1</u>

The computation of net capital as reported above in the unaudited Part IIA filing varies from the audited net capital as reported above by \$18,145 due to adjustments made subsequent to the unaudited filing.



## Report of Independent Registered Public Accounting Firm

The Members of  
Nathan Hale Capital, LLC  
Charlotte, North Carolina

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

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 statement referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
February 25, 2016



NATHAN  
HALE

www.NathanHaleCapital.com  
Member FINRA & SIPC

### The Exemption Report

Nathan Hale Capital, LLC (the "Company"), is responsible for complying with 17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers" and complying with 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provisions"). To the best of our knowledge and belief we state the following:

- (1) We identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provisions") and
- (2) we met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2015 without exception.

Nathan Hale Capital, LLC

A handwritten signature in black ink, appearing to read "Gary C. Galarpe", written over a horizontal line.

Gary C. Galarpe  
CCO|COO

February 25, 2016

## Report of Independent Registered Public Accounting Firm

The Members of  
Nathan Hale Capital, LLC  
Charlotte, North Carolina

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (General Assessment Reconciliation (Form SIPC-7)) to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2015, which were agreed to by Nathan Hale Capital, LLC (the "Company") and the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, as adopted by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement record by obtaining a copy of the bank statements showing the clearing of the payments, noting no differences.
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015, noting that Total Revenues on the audited Form X-17A-5 for the year ended December 31, 2015 were \$13,028,906 compared to Item 2a. Total Revenue in Form SIPC-7 for the year ended December 31, 2015 was \$12,726,984.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers reconciling adjusted amounts to the Company's trial balance, noting that Item 2c(3) *Commissions, floor brokerage and clearance paid other SIPC members in connection with securities transactions* was \$1,356,975 in Form SIPC-7 for the year ended December 31, 2015 compared to \$1,415,459 in the Company's adjusted supporting schedules and working papers, that Item 2c(5) *Net Gain from Securities in Investment Accounts* was \$5,666,216 in Form SIPC-7 for the year ended December 31, 2015 compared to \$5,966,216 in the Company's adjusted supporting schedules and working papers, and Item 2c(9)(i) *Total interest and dividend expense* was \$1,868,084 in Form SIPC-7 for the year ended December 31, 2015 compared to \$1,908,084 in the Company's adjusted supporting schedules and working papers.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers by recalculating adjustments, where applicable, noting no differences

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry Behaert LLP*

Charlotte, North Carolina  
February 25, 2016

**NATHAN HALE CAPITAL, LLC**  
**SCHEDULE OF ASSESSMENTS AND PAYMENT**

DECEMBER 31,2015

<b>Payment date</b>	<b>To Whom Paid</b>	<b>Amount</b>
July 24,2015	SIPC	\$2,944.00
February 17,2016	SIPC	\$6,645.00