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**ANNUAL AUDITED REPORT** Mail Processing  
**FORM X-17A-5** Section  
**PART III** \* MAR 14 2016

SEC FILE NUMBER
8-69443

FACING PAGE Washington DC  
**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 6/01/2014 AND ENDING 12/31/2015  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ICAPITAL SECURITIES, LLC

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

441 Lexington Ave 9<sup>th</sup> FL

(No. and Street)

NEW YORK

NY

10017

(City)

(State)

(Zip Code)

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

Michael Stanton

646-214-7458

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

RSM U.S., LLP

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

1185 Avenue of America

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- Certified Public Accountants
- 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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I Michael Stanton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of \_\_\_\_\_, 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:

No Exceptions

Michael Stanton
Signature
Chief Compliance Officer
Title

Brooke Sarian-Aguero
Notary Public

BROOKE SARIAN AGUERO
NOTARY PUBLIC, STATE OF NEW YORK
QUEENS COUNTY
LIC. #01SA6331645
COMMISSION EXPIRES 10/13/19

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.
(o) Exemption Report.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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ICAPITAL SECURITIES, LLC  
FINANCIAL STATEMENT

DECEMBER 31, 2015

ICAPITAL SECURITIES, LLC  
FINANCIAL STATEMENT  
DECEMBER 31, 2015

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RSM US LLP

**Report of Independent Registered Public Accounting Firm**

To the Manager  
iCapital Securities, LLC  
New York, New York

We have audited the accompanying statement of financial condition of iCapital Securities, LLC (the "Company") as of December 31, 2015, and the related notes (the financial statement). This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. 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 statement, 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 statement referred to above presents fairly, in all material respects, the financial position of iCapital Securities, LLC as of December 31, 2015, in conformity with accounting principles generally accepted in the United States.

*RSM US LLP*

New York, New York  
March 11, 2016

ICAPITAL SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2015

<b>Assets</b>	
Cash and cash equivalents	\$ 1,052,933
Fees receivable	150,375
Other prepaid expenses	<u>16,766</u>
<b>Total assets</b>	<b><u>\$ 1,220,074</u></b>
 <b>LIABILITIES AND MEMBER'S EQUITY</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 30,972
Due to Parent	<u>628,754</u>
Total liabilities	659,726
<b>Member's equity</b>	<u>560,348</u>
<b>Total liabilities and member's equity</b>	<b><u>\$ 1,220,074</u></b>

The accompanying notes are an integral part of this financial statement.

ICAPITAL SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2015

NOTE 1. ORGANIZATION AND BUSINESS ACTIVITY

iCapital Securities, LLC. (the "Company"), a wholly owned subsidiary of iCapital Network, Inc. (the Parent), was formed in Delaware as a limited liability company on January 23, 2014 the company commenced operations on June ,1 2014 (commencement of operations). The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company received its FINRA approval for membership on December 16, 2014(commencement of broker dealer operations) .

The Company conducts business in the private placement of securities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Presentation* – These financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”).

*Use of Estimates*- The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of statement of financial condition. Actual results could differ from those estimates.

*Cash and Cash Equivalents* - The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

*Fees Receivable* – The Company carries its fees receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its receivables and establishes an allowance for doubtful accounts, if necessary, based on a history of past bad debts and collections and current credit conditions. Accounts are written off as uncollectible on a case-by-case basis At December 31, 2015 the fees receivable balance is deemed collectible.

*Revenue Recognition* - Revenues from placement fees are recognized when the transaction closes and realization is reasonably assured.

*Income Taxes* - The Company is a limited liability company and accordingly, no provision has been made in the accompanying statement of financial condition for any federal or state income taxes. All revenue and expenses retain their character and pass directly to the Parent's income tax returns. The Company is subject to New York City unincorporated business tax.

ICAPITAL SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2015

NOTE 3. RELATED PARTY TRANSACTIONS

The Company has entered into an Expense Sharing Agreement with the Parent. Expenses such as rent, utilities, communications, market data, office supplies, insurance, and payroll are allocated to the Company. At December 31, 2015, the Company owed \$628,754 to the Parent. During the period June 1, 2014 (commencement of operations) to December 31, 2015 the Parent agreed to forgive repayment of \$1,389,368 of expenses allocated to the Company and were treated as capital contributions.

NOTE 4. NET CAPITAL REQUIREMENT

The Company is subject to the SEC Uniform Net Capital Rule ("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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the ratio exceeds 10 to 1. At December 31, 2015, the Company had net capital of \$393,207, which was \$349,225 in excess of its required net capital of \$43,982. The Company's ratio of aggregate indebtedness to net capital was 1.68 to 1.

NOTE 5. EXEMPTION FROM SEC RULE 15c3-3

The Company does not carry any customer accounts and is exempt from the SEC Rule 15c3-3 pursuant to exemptive provisions under sub-paragraph k(2)(i) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

NOTE 6. CONCENTRATION OF CREDIT RISK

Cash held by financial institutions which exceed the Federal Deposit Insurance Corporation ("FDIC") limits expose the Company to concentrations of credit risk. Balances throughout the year usually exceeded the maximum coverage provided by the FDIC on insured depositor accounts. The Company has not experienced any losses in such accounts and believes it is not subject to any significant credit risk on cash.



ICAPITAL SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2015

NOTE 7. COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no lease or equipment rental commitments and no contingent liabilities at December 31, 2015 or for the period June 1, 2014 (commencement of operations) to December 31, 2015.

NOTE 8. INDEMNIFICATIONS

In the normal course of its business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not occurred. 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 statement of financial condition for these indemnifications.

NOTE 9. SUBSEQUENT EVENTS

Subsequent events have been evaluated and no events have been identified that require disclosure.