

AKB  
AD



S 17016479 I

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	May 31, 2017
Estimated average burden hours per response:	12.00

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

SEC  
 Mail Processing  
 Section  
 MAR 02 2017  
 Washington DC  
 416

SEC FILE NUMBER
8-53084

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 January 1, 2016 AND ENDING December 31, 2016  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Mallory Capital Group, LLC  
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
 62 Deepwood Road, Suite 204

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
 Darien CT 06820  
 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
 A. Conrad Weymann III 203-662-3677  
 (Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
 Breard & Associates, Inc., Certified Public Accountants

(Name - if individual, state last, first, middle name)  
 9221 Corbin Avenue, Suite 170 Northridge CA 91324  
 (Address) (City) (State) (Zip Code)

CHECK ONE:

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

<b>FOR OFFICIAL USE ONLY</b>

\*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)

OATH OR AFFIRMATION

I, A. Conrad Weymann III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mallory Capital Group, LLC of February 28, 2017, 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:

Handwritten signature of A. Conrad Weymann III

Signature

Managing Partner

Title

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).

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Connecticut
County of Fairfield ss. Darlen

Subscribed and sworn to (or affirmed) before me on this 28th day of February, 2017 by A. Conrad Weymann III proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public Sarah B. Jams

SARAH B. JAMS
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2017



Report of Independent Registered Public Accounting Firm

Member  
Mallory Capital Group, LLC

We have audited the accompanying statement of financial condition of Mallory Capital Group, LLC as of December 31, 2016, and the related statements of income, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of Mallory Capital Group, LLC's management. 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation. We believe that our audit provides a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mallory Capital Group, LLC as of December 31, 2016, 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.

The information contained in Schedule I and II (supplemental information) has been subjected to audit procedures performed in conjunction with the audit of Mallory Capital Group, LLC's financial statements. The supplemental information is the responsibility of Mallory Capital Group, LLC'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, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements as a whole.



Breard & Associates, Inc.  
Certified Public Accountants

New York, New York  
February 22, 2017

**Mallory Capital Group, LLC**  
**Statement of Financial Condition**  
**December 31, 2016**

**Assets**

Cash and cash equivalent	\$ 502,711
<b>Total Assets</b>	<u>\$ 502,711</u>

**Liabilities and Member's Equity**

**Liabilities**

Account payable and accrued expenses	\$ 61,306
<b>Total Liabilities</b>	<u>61,306</u>

Commitments and contingencies

**Member's Equity**

Member's equity	441,405
<b>Total Member's Equity</b>	<u>441,405</u>
<b>Total Liabilities And Member's Equity</b>	<u>\$ 502,711</u>

*See accompanying notes to financial statements*

**Mallory Capital Group, LLC**  
**Statement of Income**  
**For the Year Ended December 31, 2016**

**Revenues**

Fee based income	\$ 321,672
Interest	81
	<hr/>
<b>Total revenues</b>	<b>321,753</b>

**Expenses**

Professional fees	179,494
Other operating expenses	15,122
Guaranteed Payment	30,605
	<hr/>
<b>Total expenses</b>	<b>225,221</b>
	<hr/>
<b>Net income (loss)</b>	<b>\$ 96,532</b>

*See accompanying notes to financial statements*

**Mallory Capital Group, LLC**  
**Statement of changes in Member's Equity**  
**For the Year Ended December 31, 2016**

	<b>Total Member's Equity</b>
<b>Balance at December 31, 2015</b>	\$ 344,873
Net income (loss)	<u>96,532</u>
<b>Balance at December 31, 2016</b>	<u>\$ 441,405</u>

*See accompanying notes to financial statements*

**Mallory Capital Group, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2016**

<b>Cash flow from operating activities:</b>		
Net income (loss)		\$ 96,532
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in :		
(Decrease) increase in :		
Account payable and accrued expenses	\$ 29,294	
Total adjustments		<u>29,294</u>
<b>Net cash provided by (used in) operating activities</b>		125,826
<b>Net cash provided by (used in) investing activities</b>		-
<b>Net cash provided by (used in) financing activities</b>		-
<b>Net increase (decrease) in cash</b>		<u>125,826</u>
<b>Cash at December 31, 2015</b>		<u>376,885</u>
<b>Cash at December 31, 2016</b>		<u>\$ 502,711</u>
 Cash paid during the year for:		
Interest	\$	-
Income taxes	\$	-

*See accompanying notes to financial statements*

**Mallory Capital Group, LLC**  
**Notes to Financial Statements**  
**December 31, 2016**

**NOTE 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization*

Mallory Capital Group, LLC (the "Company") was organized in the State of Connecticut on December 27, 2000. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer, that provides several classes of services, including agency transactions with a focus primarily on private placement with institutional and private investors.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

Financial advisory fees are recognized as earned according to the fee schedule stipulated in the client's engagement contracts. Success fees are recognized upon the execution of the transactions relating to those fees.



**Mallory Capital Group, LLC**  
**Notes to Financial Statements**  
**December 31, 2016**

**NOTE 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

The Company is treated as a disregarded entity for federal income tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company has adopted authoritative standards of accounting for and the disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. These standards require the Company to recognize in the financial statements the effects of all recognized subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Company is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such estimate cannot be made. In addition, the Company is required to disclose the date through which subsequent events have been evaluated. The Company has evaluated subsequent events through the issuance of their financial statements (See Note 5).

**NOTE 2: INCOME TAXES**

As discussed in the Summary of Significant Accounting Policies (Note 1), all tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

**NOTE 3: COMMITMENTS AND CONTINGENCIES**

*Contingencies*

The Company maintains bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. At times during the year, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits. The Company has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

**Mallory Capital Group, LLC**  
**Notes to Financial Statements**  
**December 31, 2016**

**NOTE 3: COMMITMENTS AND CONTINGENCIES**  
**(Continued)**

*Commitments*

In the normal course of business, the Company could be threatened with, or named as a defendant in, lawsuits, arbitrations, and administrative claims. Such matters that are reported to regulators such as the SEC or FINRA and investigated by such regulators, may, if pursued, result in formal arbitration claims being filed against the Company and/or disciplinary action being taken against the Company by regulators. Any such claims or disciplinary actions that are decided against the Company could harm the Company's business. The Company is also subject to periodic regulatory audits and inspections which could result in fines or other disciplinary actions. Unfavorable outcomes, in such matters, may result in a material impact to the Company's financial position, statement of income or cash flows. As of December 31, 2016, management is not aware of any commitments or contingencies that could have a material impact on the financial statements.

**NOTE 4: GUARANTEES**

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others.

The Company has issued no guarantees at December 31, 2016 or during the year then ended.

**NOTE 5: SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Mallory Capital Group, LLC**  
**Notes to Financial Statements**  
**December 31, 2016**

**NOTE 6: RECENTLY ISSUED ACCOUNTING STANDARDS**

For the year ending December 31, 2016, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**NOTE 7: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2016, the Company had net capital of \$441,405 which was \$436,405 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$32,012) to net capital was 0.14 to 1.

**Mallory Capital Group, LLC**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2016**

**Computation of net capital**

Member's equity	\$ 441,405	
<b>Total Member's Equity</b>	<u>441,405</u>	<b>\$ 441,405</b>
Less: Non-allowable assets		
<b>Total non-allowable assets</b>	<u>-</u>	<u>-</u>
<b>Net Capital</b>		<b>441,405</b>

**Computation of net capital requirements**

Minimum net capital requirement		
6 2/3 percent of net aggregate indebtedness	\$ 4,087	
Minimum dollar net capital required	<u>\$ 5,000</u>	
Net capital required (greater of above)		<u>5,000</u>
<b>Excess net capital</b>		<u><b>\$ 436,405</b></u>
Aggregate indebtedness		<u><b>\$ 61,306</b></u>
Ratio of aggregate indebtedness to net capital		0.14 : 1

There was no material difference between net capital computation showned here and the net capital computation shown on the Company's unaudited Form X-17A-5 reported dated December 31, 2016.

*See independent auditor's report*

**Mallory Capital Group, LLC**

**Schedule II - Computation for Determination of the Reserve Requirements and  
Information Relating to Possession or Control Requirements For Brokers and Dealers  
Pursuant to SEC Rule 15c3-3**

**As of December 31, 2016**

The Company is exempt from the provision of Rule 15c3-3 under paragraph (k)(2)(i) in that the Company carries no accounts, does not hold funds or securities for, or owe money or securities to customers. The Company will effectuate all financial transactions on behalf of its customers on a fully disclosed basis. Accordingly, there are no items to report under the requirements of this Rule.

*See independent auditor's report*

**Mallory Capital Group, LLC**  
**Report on Exemption Provisions**  
**Report Pursuant to Provisions of 17 C.F.R. § 15c3-3(k)**  
**For The Year End December 31, 2016**



**Report of Independent Registered Public Accounting Firm**

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which (1) Mallory Capital Group, LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Mallory Capital Group, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) Mallory Capital Group, LLC stated that Mallory Capital Group, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Mallory Capital Group, LLC'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 Mallory Capital Group, LLC'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 on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Breard & Associates, Inc.  
Certified Public Accountants

New York, New York  
February 22, 2017

# MALLORY CAPITAL GROUP, LLC

62 DEEPWOOD ROAD  
SUITE 204  
DARIEN, CT 06820-3203

– MEMBER FINRA & SIPC –

MAIN: 203-655-1571  
DIRECT: 203-662-3677  
E-MAIL: conrad@mallorycapital.com

## **Assertions Regarding Exemption Provisions**

We, as members of management of Mallory Capital Group, LLC (the “Company”), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer’s designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### **Identified Exemption Provision:**

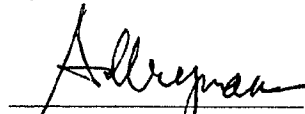
The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(i).

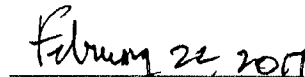
### **Statement Regarding Meeting Exemption Provision:**

The Company met the identified exemption provision without exception throughout the period ending January 1, 2016 through December 31, 2016.

MALLORY CAPITAL GROUP, LLC

By:

  
A. Conrad Weymann III  
Managing Partner

  
February 24, 2017