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

SEC Mail Processing

MAR 02 2022

ANNUAL REPORTS  
FORM X-17A-5  
PART III

SEC FILE NUMBER

Washington, DC

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: Emerson Equity 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.)

155 Bovet Road, Suite 725

(No. and Street)

San Mateo

CA

94402

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Dominic Baldini 650.312.0202 dbaldini@emersonequity

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

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

Cropper Accountancy Corporation

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

2700 Ygnacio Valley Road, Suite 270 Walnut Creek

CA

94598

(Address)

(City)

(State)

(Zip Code)

03/04/2009

3381

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

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

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

RMS

OATH OR AFFIRMATION

I, \_\_\_\_\_, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of \_\_\_\_\_, as of \_\_\_\_\_, 2\_\_\_\_, 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.

see attached acknowledgment

Signature: [Handwritten Signature]

Title: FINOP

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...
(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: A copy of the SIPC Supplemental Report

\*\*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.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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.

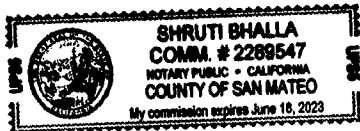
State of California )  
County of San Mateo )

On March 1 2022 before me, Shruti Bhalla, Notary Public  
*Date Here Insert Name and Title of the Officer*  
personally appeared Dominic Baldini  
*Name(s) of Signer(s)*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]  
*Signature of Notary Public*

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**  
Title or Type of Document: Audited Financial Statements  
Document Date: 03-01-2022 Number of Pages: N/A  
Signer(s) Other Than Named Above: N/A

**Capacity(ies) Claimed by Signer(s)**  
Signer's Name: Dominic Baldini Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  Partner —  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_ Signer Is Representing: \_\_\_\_\_



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
of Emerson Equity, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Emerson Equity, LLC as of December 31, 2021, the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Emerson Equity, LLC as of December 31, 2021, 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.

### Basis for Opinion

These financial statements are the responsibility of Emerson Equity, LLC's management. Our responsibility is to express an opinion on Emerson Equity, LLC's financial statements 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 Emerson Equity, LLC 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.

### Auditors' Report on Supplemental Information

The supplemental information contained in Schedule I – Computation of Net Capital Requirement, Schedule II – Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3, Schedule III – Information Relating to the Possession or Control Requirements Under Rule 15c3-3, and Schedule IV – Reconciliations Pursuant to Rules 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of Emerson Equity, LLC's financial statements. The supplemental information is the responsibility of Emerson Equity, 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, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

CROPPER ACCOUNTANCY CORPORATION

We have served as Emerson Equity, LLC's auditor since 2019.

Walnut Creek, California

February 25, 2022

EMERSON EQUITY LLC  
Statement of Financial Condition  
As of December 31, 2021

Assets

Cash	\$	5,184,218
Deposit with clearing broker		100,000
Accounts receivable		3,455,926
Prepaid expenses		
Other Assets		<u>66,714</u>
 Total assets	 \$	 <u><u>8,806,858</u></u>

Liabilities and Members' Equity

Accounts payable and accrued expenses	\$	2,899,374
Members' equity		<u>5,907,484</u>
 Total liabilities and members' equity	 \$	 <u><u>8,806,858</u></u>

EMERSON EQUITY LLC  
Income Statement  
For The Year Ended December 31, 2021

Revenues:

Commissions	\$ 93,012,936
Investment advisory fees	1,545,931
Revenue from sale of investment company shares	891,018
Other income	<u>11,511,072</u>
Total revenues	<u>106,960,957</u>

Expenses:

Commissions - Registered Representatives and other Broker Dealers	91,880,209
General and administrative	3,520,902
Professional fees	1,667,890
Rent	80,100
Insurance	<u>382,422</u>
Total expenses	<u>97,531,524</u>

Net income	<u><u>\$ 9,429,434</u></u>
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Emerson Equity  
Statement of Changes in Members Equity  
For The Year Ended December 31, 2021

Members Equity, beginning of the year	\$ 3,971,816
Net Income	9,429,434
Distrubutions	<u>(7,493,766)</u>
Members Equity, end of the year	<u>\$ 5,907,484</u>

EMERSON EQUITY LLC  
Statement of Cash Flows  
For The Year Ended December 31, 2021

***Cash flows from operating activities:***

Net income	\$ 9,429,434
Depreciation Expense	27,524
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in accounts receivable	(823,912)
Decrease in prepaid expenses	
Decrease in Other Assets	(953)
Increase in accounts payable	596,585
<i>Total adjustments</i>	<u>(200,756)</u>

***Net cash provided by operating activities*** 9,228,678

***Cash Flows from Financing Activities***

Distributions (7,493,766)

***Net Cash used in Investing Activities***

purchase of Equipment (8,041)

***Net increase in cash*** 1,726,871

***Cash, beginning of year*** 3,457,347

***Cash, end of year*** \$ 5,184,218

**Supplemental cash flow information:**

Interest Paid	-
Taxes Paid	13,769



EMERSON EQUITY LLC  
Notes to Financial Statements  
December 31, 2021

Business and Summary of Significant Accounting Policies

Business

Emerson Equity LLC (the "Company") is a California limited liability company formed on October 10, 2003. The Company is registered with the Securities and Exchange Commission ("SEC") as a fully disclosed securities broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc.

As a limited liability company, the members' liability is limited to the amount reflected in the members' capital account.

The Company operates under a clearing broker agreement with Pershing, LLC ("Pershing"), whereby the Company introduces certain brokerage accounts to Pershing and Pershing provides clearing services to such accounts on a fully disclosed basis.

Cash and Deposit with Clearing Broker

The Company maintains its cash in a bank deposit account that at times may exceed federally insured limits. The Company also maintains cash and a clearing deposit with its clearing broker that are not federally insured. The Company has not experienced any losses in such accounts.

Revenue from Contracts with Customers

Effective January 1, 2018, the Company adopted ASU 2014-09, "Revenue from Contracts with Customers" using the modified retrospective transition method, which did not result in a cumulative-effect adjustment at the date of adoption since the amount of adjustment of contract balances was immaterial to the financial statements as a whole. The implementation of this new standard had no material impact on the Company's financial statements for the year ended December 31, 2021.

Revenue from contracts with customers is recognized when, or as, the Company satisfies its performance obligations by transferring the promised goods or services to 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 the Company's 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 at the point in time that the Company determines the customer obtains control over the promised good or service. The amount of revenue recognized reflects the consideration to which the

EMERSON EQUITY LLC  
Notes to Financial Statements  
December 31, 2021

Company expects to be entitled 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 our 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 influences, such as market volatility or the judgment and actions of third parties.

The company earns revenue from contracts with customers. The following provides detailed information on the recognition of the Company’s revenue from contracts with customers.

Commissions and Revenue from Sale of Investment Company Shares

The Company earns commissions from transactions in securities and sale of investment company shares. Commissions and revenue from sale of investment company shares is recorded on a trade date basis as reported by the clearing broker, the investment company, escrow agent and/or third parties. The Company believes the performance obligations is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer. The Company is primarily responsible for fulfilling the promise (i.e., acts in a principal capacity) to find purchasers for securities to be sold. Although the Company relies on its broker representatives to perform the services promised to the customer, it is the Company that is responsible for ensuring that the services are performed and are acceptable to the customer.

Investment Advisory Fees

Investment advisory fees are accrued monthly as earned, and received quarterly, in accordance with the terms of the investment advisory contracts, as reported by the clearing broker. The Company believes the performance obligation for providing investment advisory services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer’s assets under management.

Other Income

Other income consists primarily of income arising from providing marketing and consulting services to investment companies under a placement agent agreement. Revenue is recognized upon completion of the promised services to the investment companies in an amount that reflects the consideration expected to be received in exchange for those services.

EMERSON EQUITY LLC  
Notes to Financial Statements  
December 31, 2021

Contract Balances

The Company records receivables when revenue is recognized prior to payment and it has an unconditional right to payment. The timing of revenue recognition may differ from the timing of customer payments. Alternatively, when payment precedes the position of this related services, the Company records deferred revenue until the performance obligation is satisfied. There were no material contract assets or 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.

Significant Judgments

The recognized and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time and when to recognize revenue based on the appropriate measure of the Company's progress under the contract.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases. The objective of the update is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet for leases with a lease term of more than 12 months. In addition, the update will require additional disclosures regarding key information about leasing arrangements. Under existing guidance, operating leases are not recorded as lease assets and lease liabilities on the balance sheet.

Accounts Receivable

Accounts Receivable primarily include commission and other revenue receivables. The company believes that all amounts are fully collectable as of December 31, 2021.

Accounting for Income Taxes

No provision for federal or state income taxes has been made since the Company is treated as a disregarded entity for income tax purposes and its income is allocated to the members' for inclusion in the members' income tax returns. Management has concluded that the Company is not subject to income taxes in any jurisdiction and that there are no uncertain tax positions that would require recognition in the financial statements. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

EMERSON EQUITY LLC  
Notes to Financial Statements  
December 31, 2021

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Net Capital Requirements

The Company is subject to the SEC 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. At December 31, 2021, the Company had net capital of \$4,089,123, which was \$3,895,831 in excess of its required net capital of \$193,292. The Company's aggregate indebtedness to net capital ratio was .71 to 1.

3. Financial Instruments Not carried at Fair Value:

The following table presents the carrying values and estimated fair values as of December 31, 2021, of financial assets and liabilities, that are carried at fair value on a recurring basis, and information is provided on their classification within the fair value hierarchy.

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Estimated Fair Value</u>
<b>Assets:</b>					
Cash	5,184,218	5,184,218			5,184,218
Deposit with Clearing Broker	100,000	100,000			100,000
Accounts Receivables	3,455,926		3,455,926		3,455,926
Other Assets	66,714		66,714		66,714
<b><u>Totals:</u></b>	<b>\$8,806,858</b>	<b>\$5,284,218</b>	<b>\$3,522,640</b>	<b><u>\$—</u></b>	<b>\$8,806,858</b>
<b>Liabilities:</b>					
Accounts Payable, accrued Expenses, and other liabilities	2,899,374	2,899,374			2,899,374
<b><u>Totals:</u></b>	<b>\$2,899,375</b>	<b><u>\$2,899,374</u></b>		<b><u>\$—</u></b>	<b>\$2,899,374</b>

4. Indemnification

The Company enters into contracts that contain a variety of indemnifications for which the maximum exposure is unknown but for which management expects the risk of loss, if any, to be remote. The Company has no current claims or losses pursuant to such contracts.

EMERSON EQUITY LLC  
Notes to Financial Statements  
December 31, 2021

5. Related Party Transactions

The Company subleases its office premises on a month-to-month basis from its managing member. Total rent expense under the sublease was \$80,100 for the year ended December 31, 2021. The managing member rents the premises under a long-term lease that expires in September 2025. The future minimum lease payments that the managing member is required to pay under the lease ranges from approximately \$71,590 per year to \$87,641 per year through September 2025.

During 2021, the Company paid commissions totaling \$520,458 to registered representatives who are affiliated with the Company, which is included in commission expense in the accompanying income statement.

The Company generated approximately \$8,806,775 from an entity in which one of its registered representatives is a principal. The Company paid \$553,912 to such registered representative related to this commission income.

6. Concentration

During the year ended December 31, 2021, the Company earned approximately 30% of its total revenue from five customers.

7. Commitments and Contingencies

During the normal course of business disputes may arise. In the opinion of management, in 2021 there were no material matters expected to have an adverse effect on the financial condition or results of operations of the Company.

8. Subsequent Event

Management has evaluated subsequent events through the date of the report of the independent registered public accounting firm on which date the financial statements were available to be issued. In 2022, there was an offering that ceased distributions and redemptions and, as a result, this may have an adverse effect on the future financial condition or results of operations of the Company.

SUPPLEMENTARY INFORMATION

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER: EMERSON EQUITY LLC as of December 31, 2021

1. Total ownership equity from Statement of Financial Condition.....		\$ 5,907,484	3480
2. Deduct ownership equity not allowable for Net Capital.....		( )	3490
3. Total ownership equity qualified for Net Capital.....		5,907,484	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			3520
B. Other (deductions) or allowable credits (List).....			3525
5. Total capital and allowable subordinated liabilities.....		5,907,484	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from Statement of Financial Condition (Notes B and C).....	1,818,361		3540
B. Secured demand note delinquency.....			3590
C. Commodity futures contracts and spot commodities – proprietary capital charge.....			3600
D. Other deductions and/or charges.....		3610	(1,818,361) 3620
7. Other additions and/or allowable credits (List).....			3630
8. Net capital before haircuts on securities positions.....		4,089,123	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f):			
A. Contractual securities commitments.....			3660
B. Subordinated securities borrowings.....			3670
C. Trading and investment securities:			
1. Exempted Securities.....			3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....			3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
10. Net Capital.....		\$ 4,089,123	3750

OMIT PENNIES

Non-allowable assets:

Accounts receivable \$1,751,647  
Prepays and other assets \$66,714

Total \$1,818,361

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER: EMERSON EQUITY LLC as of December 31, 2021

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6 2/3% of line 19).....	193,292	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A).....	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	193,292	3760
14. Excess net capital (line 10 less 13).....	3,895,831	3770
15. Net capital less greater of 10% of line 19 of 120% of line 12.....	3,799,186	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition.....	2,899,374	3790
17. Add:		
A. Drafts for immediate credit.....	\$ 3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited.....	\$ 3810	
C. Other unrecorded amounts (List).....	\$ 3820	3830
19. Total Aggregate indebtedness.....	2,899,374	3840
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10).....	70.90%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d).....	0.00	3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirement pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers of dealers and consolidated subsidiaries debits.....	3970
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement or subsidiaries computed in accordance with Note (A).....	3880
24. Net capital requirement (greater of line 22 or 23).....	3760
25. Excess capital (line 10 or 24).....	3910
26. Net capital excess of the greater of: A. 5% of combined aggregate debit items or \$120,000.....	3920

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  - 1. Minimum dollar net capital requirement, or
  - 2. 6 2/3% of aggregated indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.



SCHEDULE II

EMERSON EQUITY LLC  
Computation for Determination of Reserve  
Requirements Pursuant to Rule 15c3-3  
December 31, 2021

The Company claims an exemption under Rule 15c3-3(k)(2)(ii) and did not claim an exemption for private placement activities (k) of 17 C.F.R 240.15c3-3 relying on footnote 74 of SEC release no. 34-70073, and therefore is not subject to the reserve requirements of Rule 15c3-3

EMERSON EQUITY LLC  
Information Relating to the Possession  
Or Control Requirements Under Rule 15c3-3  
December 31, 2021

The Company claims an exemption under Rule 15c3-3(k)(2)(ii) and did not claim an exemption for private placement activities (k) of 17 C.F.R 240.15c3-3 relying on footnote 74 of SEC release no. 34-70073, and therefore is not subject to the reserve requirements of Rule 15c3-3



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
of Emerson Equity

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Emerson Equity identified the following provision(s) of 17 C.F.R. §15c3-3(k) under which Emerson Equity claimed the following exemption from 17 C.F.R. §240.15c3-3: (2)(ii) [exemption provision] and (2) Emerson Equity stated that Emerson Equity met the identified exemption provisions throughout the most recent fiscal year without exception.

The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company. In addition, the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; did not carry accounts of or for customers; and did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Emerson Equity'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 Emerson Equity'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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934 and the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5, and related SEC Staff Frequently Asked Questions.

*Cropper Accountancy Corporation*

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

February 25, 2022

## Exemption Report

Emerson Equity (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 CFR 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following.

- (1) The Company claimed an exemption from 17 C.F.R. 240.15c3-3 under the following provisions of 17 C.F.R. 240.15c3-3k(2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. 240.15c3-3(k) throughout the most recent fiscal year without exception.
- (3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to; effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Emerson Equity LLC

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Name of Company

I, Dominic Baldini, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By:           D. Baldini          

Title: Managing Member

Date: February 25, 2022

EMERSON EQUITY LLC  
 Reconciliations Pursuant to Rules 15c3-1 and 15c3-3  
December 31, 2021

1. Reconciliation of Computation of Net Capital to Respondent's Computation

The reconciliation between Schedule I and the respondent's computation is as follows:

	<u>Net Capital</u>	<u>Aggregate Indebtedness</u>	<u>Percentage</u>
Computation per respondent	\$4,089,123	\$ 2,899,374	71%
Computation per Schedule I	<u>\$ 4,089,123</u>	<u>\$ 2,899,374</u>	71%
Differences	<u>\$ _____</u>	<u>\$ _____</u>	

2. Reconciliation of Computation of Reserve Requirements to Respondent's Computations

The Company claims an exemption under Rule 15c3-3(k)(2)(ii) and did not claim an exemption for private placement activities (k) of 17 C.F.R 240.15c3-3 relying on footnote 74 of SEC release no. 34-70073, and therefore is not subject to the reserve requirements of Rule 15c3-3



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES

To the Members of  
Emerson Equity, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2021. Management of Emerson Equity, LLC (Company) is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. 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 records entries, noting no differences;
- 2) Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2021 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2021, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any underpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting a \$100,045 assessment. The Company cut a check for \$75,000 on December 31, 2021, leaving an unpaid amount of \$25,045.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Cropper Accountancy Corporation*

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

February 25, 2022

**SIPC-7**  
(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION  
Mail Code: 8967 P.O. Box 7247 Philadelphia, PA 19170-0001  
**General Assessment Reconciliation**

**SIPC-7**  
(36-REV 12/18)

For the fiscal year ended \_\_\_\_\_  
(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

Emerson Equity LLC  
155 Bovet Road, Suite 725  
San Mateo, CA 94402

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

WORKING COPY

- 2. A. General Assessment (item 2e from page 2) \$ 157,800.32
- B. Less payment made with SIPC-6 filed (exclude interest) ( 57,754.95 )  
    July 30, 2021  
    Date Paid
- C. Less prior overpayment applied ( )
- D. Assessment balance due or (overpayment) \_\_\_\_\_
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 100,045.37
- G. PAYMENT:  the box  Check mailed to P.O. Box  Funds Wired  ACH   
Total (must be same as F above) \$ \_\_\_\_\_
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Emerson Equity LLC

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

FINOP

(Title)

Dated the 17th day of January, 2022.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_



## DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 01/2021  
and ending 12/2021

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents  
\$106,960,957

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

\$205,200,216

2e. General Assessment @ .0015

\$157,800.32

(to page 1, line 2.A.)

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EMERSON EQUITY LLC  
FINANCIAL STATEMENTS  
TOGETHER WITH SUPPORTING  
SCHEDULES AND AUDITORS' REPORT

DECEMBER 31, 2021