

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden hours per response.....	12.00

SEC. FILE NUMBER
8-68835

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 01/01/19 AND ENDING 12/31/19
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: PEAKSTONE SECURITIES, LLC

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

445 N Wells St., Suite 404

(No. and Street)

Chicago

IL

60654

(City)

(State)

(Zip Code)

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

STEPHEN SLEIGH

(312) 204-7300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RUBIO CPA, PC

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

2727 Paces Ferry Rd SE, Suite 2-1680 ATLANTA

GA

30339

(Address)

(City)

(State)

(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)

OATH OR AFFIRMATION

I, STEPHEN SLEIGH, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PEAKSTONE SECURITIES, LLC, as of DECEMBER 31, 20 19, 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:

Signature

CEO

Title

Anthony J. Prim
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).**

Peakstone Securities, LLC

**Financial Statements,
Supplementary Information
With Report of Registered
Independent Accounting Firm**

December 31, 2019

**REPORT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of
Peakstone Securities, LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Peakstone Securities, LLC (the "Company") as of December 31, 2019, the related statements of operations, changes in members' equity, and cash flows for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, 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 the Company's management. Our responsibility is to express an opinion on the Company'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 the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting 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.

Our audit included performing procedures to assess the risks of material misstatement to 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 of our opinion.

Supplemental Information

The information contained in Schedules I, II and III 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 information in Schedules I, II and III 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 accompanying schedules. In forming our opinion on the accompanying schedules, 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 aforementioned supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2016.

February 7, 2020
Atlanta, Georgia

A handwritten signature in black ink that reads "Rubio CPA, PC". The signature is written in a cursive, flowing style.

Rubio CPA, PC

Peakstone Securities, LLC
Statement of Financial Condition
December 31, 2019

Assets

Cash	\$	28,970
Prepaid expenses and deposits		<u>10,590</u>
Total Assets	\$	<u><u>39,560</u></u>

Liabilities and Members' Equity

Liabilities		
Accounts payable	\$	2,412
Due to affiliate		<u>6,953</u>
Total Liabilities		<u>9,365</u>
Members' equity		<u>30,195</u>
Total Liabilities and Members' Equity	\$	<u><u>39,560</u></u>

See Accompanying Notes

Peakstone Securities, LLC
Statement of Operations
Year ended December 31, 2019

Revenue	
Investment banking; M&A Advisory	\$ -
Total Revenue	<u>-</u>
Expenses	
Professional fees	38,014
Licenses and registration	16,000
Occupancy	10,754
Technology and communications	8,091
Other expenses	<u>16,627</u>
Total Expenses	<u>89,486</u>
Net Loss	<u><u>\$ (89,486)</u></u>

See Accompanying Notes

Peakstone Securities, LLC
Statement of Changes in Members' Equity
Year ended December 31, 2019

	Contributed Capital	Retained Earnings (Deficit)	Total
Balance, December 31, 2018	\$ 255,000	\$ (225,319)	\$ 29,681
Members' contributions	90,000	-	90,000
Net loss	-	(89,486)	(89,486)
Balance, December 31, 2019	<u>\$ 345,000</u>	<u>\$ (314,805)</u>	<u>\$ 30,195</u>

See Accompanying Notes

Peakstone Securities, LLC
Statement of Cash Flows
Year ended December 31, 2019

Cash flows from operating activities:	
Net loss	\$ (89,486)
Adjustments to reconcile net loss to net cash used by operating activities:	
Change in prepaid expenses and deposits	823
Change in due to affiliate	<u>4,278</u>
Net cash used by operating activities:	<u>(84,385)</u>
Cash flows from financing activities:	
Members' contributions	<u>90,000</u>
Net cash provided by financing activities:	<u>90,000</u>
Net increase in cash:	5,615
Cash - December 31, 2018	<u>23,355</u>
Cash - December 31, 2019	<u><u>\$ 28,970</u></u>

See Accompanying Notes

PEAKSTONE SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

Note (1) Nature of Operations and Summary of Significant Accounting Policies

A. Nature of Operations

Peakstone Securities, LLC (the "Company") is an Illinois limited liability company established on February 17, 2011, and is a registered broker-dealer under the Securities Exchange Act of 1934. As a limited liability company, the members' liability is limited to their investment. The Company is registered with the Securities and Exchange Commission (SEC), the Financial Industry Regulation Authority (FINRA) and the securities commissions of appropriate states. The Company received approval to operate as a licensed broker-dealer on March 2, 2012.

The Company's primary business is investment banking services, and it operates under the provisions of paragraph (k)(2)(i) of Rule 15c3-3 of the Securities Exchange Act of 1934. The Company operates from offices located in Chicago, Illinois.

B. Accounts Receivable

The Company uses the allowance method to account for uncollectible accounts receivable. Management continually monitors the collectability of its customer accounts; when indications arise that an amount is not likely to be collected, it is charged to the allowance for doubtful accounts. Accounts are considered past due when they are 30 days old.

C. Cash Balances in Excess of Insured Amounts

The Company maintains its cash in an account in a high credit quality institution which, at times, may exceed federally insured limits. The Company has not experienced any losses due to these limits.

D. Revenue Recognition

Investment banking revenue includes fees earned from providing merger and acquisition and other advisory services to clients. Revenue is recognized when earned, which generally occurs as services are performed or upon consummation of a transaction.

Revenue from Contracts with Customers Standard (ASU 2014-09) core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 prescribes a five-step process to accomplish this core principle, including:

- Identification of the contract with the customer;
- Identification of the performance obligation(s) under the contract;
- Determination of transaction price;
- Allocation of the transaction price to the identified performance obligation(s); and
- Recognition of revenue as (or when) an entity satisfies the identified performance obligation(s).

The Company recognizes revenue upon completion of a success fee-based transaction as this satisfies the only performance obligation identified in accordance with this standard.

PEAKSTONE SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

Note (1) Nature of Operations and Summary of Significant Accounting Policies - Continued

E. Income Taxes

The Company has elected to be taxed as a partnership under the provisions of the Internal Revenue Code and, accordingly, is not subject to income taxes. Instead, Members are liable for federal and state income taxes on their respective share of the taxable income of the Company. Accordingly, no provision for income tax has been provided for in the accompanying financial statements.

The Company is subject to the Illinois 1.5% replacement tax on income. There is no replacement tax for 2019.

F. Use of Estimates

The preparation 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 revenues and expenses during the reporting period. While actual results may differ from those estimates, management does not expect the differences, if any, to have a material effect on the financial statements.

G. Date of Management's Review

Subsequent events were evaluated through the date the financial statements were issued.

Note (2) Net Capital Requirement

The Company is subject to SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of a minimum net capital, as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness. At December 31, 2019, the Company had net capital of \$19,605 which was \$14,605 in excess of its required net capital of \$5,000. The Company's percentage of aggregate indebtedness to net capital was 47.77%.

The Company is exempt from the provision of Rule 15c3-3 under the Securities Exchange Act of 1934 pursuant to Paragraph (k)(2)(i).

Note (3) Related Party

The Company has entered into an expense sharing arrangement with The Peakstone Group, LLC, an affiliated entity, for occupancy and certain general and administrative expenses provided to the Company. The Company's share of expenses is calculated based on estimated usage. Allocated expenses under the agreement amounted to approximately \$27,259 for the year ended December 31, 2019. The balance due to affiliate of \$6,953 on the accompanying statement of financial condition arose from this agreement. Amounts due to affiliate are not interest bearing and have no specified due date.

Note (4) Contingencies

The Company is subject to litigation in the normal course of business. The Company has no litigation in progress at December 31, 2019.

PEAKSTONE SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

Note (5) Net Loss

The Company incurred a loss for 2019 and was dependent upon capital contributions from its members for working capital and net capital. The Company's members have represented that they intend to continue to make capital contributions as needed, to ensure the Company's survival through at least one year subsequent to the date of the report of the independent registered public accounting firm.

Management expects the Company to continue as a going concern and the accompanying financial statements have been prepared on a going-concern basis without adjustments for realization in the event that the Company ceases to continue as a going concern.

Peakstone Securities, LLC
Schedule I
Computation of Net Capital Pursuant to Rule 15c3-1
Of the Securities and Exchange Commission Act of 1934
As of December 31, 2019

Total members' equity	<u>\$ 30,195</u>
Deductions and/or charges	
Prepaid expenses and deposits	<u>10,590</u>
Total deductions and/or charges	<u>10,590</u>
Net capital before haircuts	19,605
Less haircuts	<u>-</u>
Net capital	<u><u>\$ 19,605</u></u>
Minimum net capital requirement (greater of \$5,000 or 6 2/3% of total aggregate indebtedness)	<u>5,000</u>
Excess net capital	<u><u>\$ 14,605</u></u>
Aggregate indebtedness	
Accounts payable	2,412
Due to affiliate	<u>6,953</u>
Total aggregate indebtedness	<u><u>\$ 9,365</u></u>
Percentage of aggregate indebtedness to net capital	<u><u>47.77%</u></u>

Note: Reconciliation with Company's computation of net capital included in Part IIA of Form X-17A-5 as of December 31, 2019.

There was no significant difference between net capital in the FOCUS Part IIA form and the computation above.

Peakstone Securities, LLC

SCHEDULE II
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2019

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

SCHEDULE III
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2019

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

PEAKSTONE

Peakstone Securities, LLC
445 N Wells St, Suite 404
Chicago, IL 60654

EXEMPTION REPORT SEA RULE 17a-5(d)(4)

January 29, 2020

Rubio CPA, PC
2727 Paces Ferry Road SE
Building 2, Suite 1680
Atlanta, Georgia 30339

The below information is designed to meet the Exemption Report criteria pursuant to SEC Rule 17a-5(d)(4):

Peakstone Securities, LLC is a broker/dealer registered with the SEC and FINRA. Pursuant to paragraph k(2)(i) of SEA Rule 15c3-3, the Company is claiming an exemption from SEA Rule 15c3-3 for the fiscal year ended December 31, 2019.

The Company has met the identified exemption provisions throughout the most recent fiscal year without exception.

The above statement is true and correct to the best of my and the Company's knowledge.

Signed:  _____

Name: Stephen Sleight

Title: CEO

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

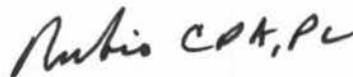
To the Members of
Peakstone Securities, LLC

We have reviewed management's statements, included in the accompanying Broker Dealers Annual Exemption Report in which (1) Peakstone Securities, LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Peakstone Securities, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(i) (the "exemption provisions"); and, (2) Peakstone Securities, LLC stated that Peakstone Securities, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Peakstone Securities, 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 Peakstone Securities, 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.

February 7, 2020
Atlanta, GA



Rubio CPA, PC