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

SEC FILE NUMBER
8- 053276

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, 2008 AND ENDING December 31, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

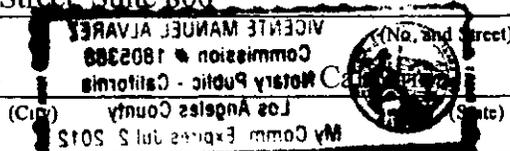
NAME OF BROKER-DEALER: Stinson Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

55 Francisco Street, Suite 800

San Francisco



94133

(Zip Code)

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

Lonnie Odom

(415) 981-3345

(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.

PROCESSED
MAR 11 2009

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*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) Potential 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.

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OATH OR AFFIRMATION

I, Lonnie Odom, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stinson Securities, LLC, as of December 31, 2008, 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:

State of California
County of San Francisco
Subscribed and sworn to (or affirmed) before me on this 27 day of January, 2009
by Lonnie Odom
personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me

Lonnie Odom
Signature
CEO
Title

[Signature]
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 Cash Flows
- (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 15c3-3 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).

Stinson Securities, LLC

Report Pursuant to Rule 17a-5 (d)

Financial Statements

For the Year Ended December 31, 2008

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BREARD & ASSOCIATES, INC.
Certified Public Accountants

Independent Auditor's Report

Board of Directors
Stinson Securities, LLC:

We have audited the accompanying statement of financial condition of Stinson Securities, LLC (the Company) as of December 31, 2008, and the related statements of operations, changes in members' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stinson Securities, LLC as of December 31, 2008, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Oakland, California
February 24, 2009

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Stinson Securities, LLC
Statement of Financial Condition
December 31, 2008

Assets

Cash	\$ 7,562
Due from clearing organization	157,117
Furniture and equipment, net	—
Prepaid expenses	<u>2,058</u>
Total assets	<u>\$ 166,737</u>

Liabilities and Members' Equity

Liabilities

Accounts payable & accrued expenses	\$ 8,170
Lines of credit	30,660
Income taxes payable	<u>900</u>
Total liabilities	39,730

Members' equity	<u>127,007</u>
Total liabilities and members' equity	<u>\$ 166,737</u>

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC
Statement of Operations
For the Year Ended December 31, 2008

Revenues

Underwriting fees	\$ 248,925
Advisory fees	66,500
Commission income	56,009
Interest income	3,756
Other income	<u>1,050</u>
Total revenues	376,240

Expenses

Employee compensation & taxes	272,658
Underwriting expense	11,417
Commissions and floor brokerage, exchange and clearance fees	26,882
Communications and data processing	28,709
Interest expense	3,346
Occupancy	28,771
Other operating expenses	<u>84,527</u>
Total expenses	<u>456,310</u>
Net income (loss) before income tax provision	(80,070)
Income tax provision	<u>1,700</u>
Net income (loss)	<u><u>\$ (81,770)</u></u>

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC
Statement of Changes in Members' Equity
For the Year Ended December 31, 2008

	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Total Members' Equity</u>
Balance at December 31, 2007	\$ -	\$ 142,082	\$ 28,344	\$ 170,426
Members' contributions	10,000	-	150,000	160,000
Members' distributions	-	(95,000)	(26,649)	(121,649)
Net income (loss)	<u>(10,000)</u>	<u>(103,750)</u>	<u>31,980</u>	<u>(81,770)</u>
Balance at December 31, 2008	<u>\$ -</u>	<u>\$ (56,668)</u>	<u>\$ 183,675</u>	<u>\$ 127,007</u>

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

Stinson Securities, LLC
Statement of Cash Flows
For the Year Ended December 31, 2008

Cash flows from operating activities:		
Net income (loss)		\$ (81,770)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	\$ 2,543	
(Increase) decrease in:		
Deposits from clearing organization	87,573	
Receivable -other	54	
(Decrease) increase in:		
Accounts payable & accrued expenses	(52,472)	
Income taxes payable	<u>(1,600)</u>	
Total adjustments		<u>36,098</u>
Net cash provided by (used in) operating activities		(45,672)
Cash flows from investing activities:		-
Cash flows from financing activities:		
Proceeds from bank lines of credit	2,853	
Proceeds from member contributions	160,000	
Members' distributions	<u>(121,649)</u>	
Net cash provided by (used in) financing activities		<u>41,204</u>
Net increase (decrease) in cash		(4,468)
Cash at beginning of year		<u>12,030</u>
Cash at end of year		<u><u>\$ 7,562</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for		
Interest	\$ 3,346	
Income taxes	\$ 3,300	

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC
Notes to Financial Statements
December 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Stinson Securities, LLC (the "Company") is a California Limited Liability Company ("LLC") registered as a broker/dealer in securities under the Securities Exchange Act of 1934, as amended. The Company was organized on July 19, 2001, and shall continue until December 31, 2091. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), the Securities Investor Protection Corporation ("SIPC"), and the Municipal Securities Rulemaking Board ("MSRB").

The Company does not hold customer funds or securities and conducts business on a fully disclosed basis, whereby all transactions are cleared by another broker/dealer.

The Company participates in municipal and corporate debt securities underwriting, and brokers U.S. government municipal and corporate debt securities. The Company is also authorized to sell private placements of securities.

Due to the nature of municipal bond underwriting business, the Company's revenue during the year was primarily the result of a few transactions. Approximately 50% of the revenue was generated from a single client.

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.

The Company underwrites municipal bond offerings by contracting to purchase and then sell offerings on a best effort basis. The difference between the price paid and the issue price, the gross underwriting spread, is recognized as underwriting income on the trade date of the sale.

Furniture and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized. Furniture and equipment are depreciated over their estimated useful lives of three (3) to five (5) years. The Company uses double declining method of depreciation.

The Company is a limited liability company (LLC) and is taxed as a partnership under the Internal Revenue Code and similar state statute, in lieu of income taxes, the members are taxed on their proportionate share of the Company's taxable income.

Stinson Securities, LLC
Notes to Financial Statements
December 31, 2008

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

Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company however, is subject to the annual California LLC tax of \$800 and a California LLC fee based on gross revenue.

Note 2: DUE FROM CLEARING ORGANIZATION

The Company has a brokerage agreement with Wedbush Morgan Securities (“Clearing Broker”) to carry its account and the accounts of its customers as customers of the Clearing Broker. The Clearing Broker has custody of the Company’s cash balances which serve as collateral for any amounts due to the Clearing Broker as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance at December 31, 2008, includes interest earned for a deposit total of \$157,117.

Note 3: FURNITURE AND EQUIPMENT, NET

Furniture and equipment are recorded at cost.

		<u>Depreciable Life Years</u>
Furniture and equipment	\$ 34,264	3-5
Less accumulated depreciation	<u>(34,264)</u>	
Furniture and equipment, net	<u>\$ —</u>	

Depreciation expense for the year ended December 31, 2008, was \$2,543.

Note 4: LINES OF CREDIT

The Company has three revolving lines of credit which require interest to be paid monthly and are summarized as follows:

	<u>Credit line</u>	<u>Balance at December 31, 2008</u>	<u>Interest rate</u>
Wells Fargo	\$ 20,000	\$ 19,955	9.75%
Wells Fargo	10,300	10,222	12.50%
American Express	<u>5,000</u>	<u>483</u>	10.99%
	<u>\$ 35,300</u>	<u>\$ 30,660</u>	

Stinson Securities, LLC
Notes to Financial Statements
December 31, 2008

Note 5: DISTRIBUTIONS TO MEMBERS

The Company has three classes of members. Class B members have priority over class A and Class C members with the respect to return of capital and distributions. Class B members are entitled to distributions of 1% of gross revenue for every \$10,000 invested as capital. Class C members are entitled to a distribution of .5% for each \$10,000 invested as capital. The Class A members are entitled to the remaining profit or loss. A members' liability is limited to their respective capital contribution.

Note 6: LEASE OBLIGATION

The Company is leasing office space under an agreement that expires in 2011. The lease contains provisions for rent escalation based on increases in certain costs incurred by the lesers. Future minimum lease expenses are as follows:

Year Ending December 31,	
2009	\$ 35,637
2010	36,527
2011	37,380
2012 & thereafter	<u>—</u>
	<u>\$ 109,544</u>

Rent expense for the year ended December 31, 2008, was \$28,771.

Note 7: PENSION PLAN

The Company sponsors a Simplified Employee Pension Plan that covers Class A members and employees who have completed three years of service and have attained age 21. Contributions to the plan are determined annually for up to 25% of compensation at the Company's discretion. The Company contributed \$5,214 for plan year 2008.

Note 8 INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company is treated like a partnership for income tax purposes, therefore no federal income tax provision is provided.

All tax effects of the Company's income or loss are passed through to the Members' tax return. At December 31, 2008, the Company recorded the California gross receipts fee of \$900 and the minimum California state income tax of \$800, for a total income tax provision of \$1,700.

Stinson Securities, LLC
Notes to Financial Statements
December 31, 2008

Note 9: COMMITMENTS AND CONTINGENCIES

Contingencies

The Company maintains several bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$100,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. Effective October 3, 2008, the FDIC insurance limit was increased to \$250,000. This new limit is applicable through December 31, 2009.

At times during the year ended December 31, 2008, 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 these accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

Note 10: RECENTLY ISSUED ACCOUNTING STANDARDS

For the year ending December 31, 2008, various accounting pronouncements or interpretations by the Financial Accounting Standards Board 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 reviewed the following Financial Interpretation ("FIN") and Statements of Financial Accounting Standards ("SFAS") for the year to determine relevance to the Company's operations:

<u>Statement Number</u>	<u>Title</u>	<u>Effective Date</u>
FIN 48	Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109	After 12/15/07
SFAS 141(R)	Business Combinations	After 12/15/08
SFAS 157	Fair Value Measurements	After 12/15/07
SFAS 160	Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51	After 12/15/07
SFAS 161	Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133	After 12/15/08

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.

Stinson Securities, LLC
Notes to Financial Statements
December 31, 2008

Note 11: NET CAPITAL

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. Net capital and aggregate indebtedness change day to day, but on December 31, 2008, the Company had net capital of \$124,949 which was \$24,949 in excess of its required net capital of \$100,000; and the Company's ratio of aggregate indebtedness (\$39,730) to net capital was 0.32 to 1, which is less than the 15 to 1 maximum ratio allowed for a broker/dealer.

Note 12: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There is a \$601 difference between the computation of net capital under net capital SEC Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule	\$ 124,348
Adjustments:	
Members' equity	\$ <u>601</u>
Total adjustments	<u>601</u>
Net capital per audited statements	<u>\$ 124,949</u>

Stinson Securities, LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2008

Computation of net capital.

Members' equity		\$ 127,007
Less: Non-allowable assets		
Prepaid expenses	\$ (2,058)	
Total adjustments		<u>(2,058)</u>
Net capital		124,949

Computation of net capital requirements

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 2,649	
Minimum dollar net capital required	\$ 100,000	
Net capital required (greater of above)		<u>100,000</u>

Excess net capital \$ 24,949

Ratio of aggregate indebtedness to net capital 0.32: 1

There was a \$601 difference between net capital shown here and net capital as reported on the Company's unaudited Form X-17A-5 report dated December 31, 2008. See Note 12.

See independent auditor's report

Stinson Securities, LLC
Schedule II - Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2008

A computation of reserve requirement is not applicable to Stinson Securities, LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report

Stinson Securities, LLC
Schedule III - Information Relating to Possession or Control
Requirements Under Rule 15c3-3
As of December 31, 2008

Information relating to possession or control requirements is not applicable to Stinson Securities, LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report

Stinson Securities, LLC
Supplementary Accountant's Report
on Internal Accounting Control
Report Pursuant to 17a-5
For the Year Ended December 31, 2008

BREARD & ASSOCIATES, INC.
Certified Public Accountants

Board of Directors
Stinson Securities, LLC:

In planning and performing our audit of the financial statements of Stinson Securities, LLC (the Company), as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Industry, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Oakland, California
February 24, 2009

END