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MISSION

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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
8- 66608

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 01/01/2009 AND ENDING 12/31/2009  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Lightstone Securities, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
One International Blvd., Suite 200

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street) 07495  
Mahwah, NJ  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Joseph DePietto, CPA (516) 326-9200  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Joseph P. DePietto, CPA, P.C., DEPIETTO CPA's PC

(Name - if individual, state last, first, middle name)  
1981 Marcus Avenue Lake Success NY 11042  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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MAR 01 2010

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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)

BB 3/3

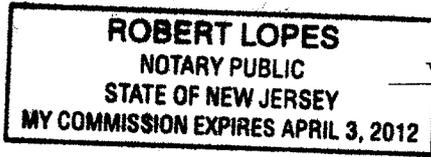
OATH OR AFFIRMATION

I, Michael S. Cardello, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lightstone Securities, LLC, as of 31 December, 20 09, 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:

\_\_\_\_\_  
\_\_\_\_\_

*Michael S. Cardello*  
Signature

Vice President & CFO/CCO  
Title



*[Handwritten 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 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).

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA 12

FORM  
X-17A-5

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s))

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

LIGHTSTONE SECURITIES, LLC 13

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

1 INTERNATIONAL BLVD SUITE 200 20

(No. and Street)

MAHWAH 21

(City)

NJ 22

(State)

07495 23

(Zip Code)

SEC. FILE NO.

8-86608 14

FIRM ID NO.

132596 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/09 24

AND ENDING (MM/DD/YY)

12/31/09 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT 30

OFFICIAL USE 31

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

EXECUTION

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 25<sup>th</sup> day of February 20 10

Manual Signatures of

1) [Signature]  
Principal Executive Officer or Managing Partner

2) [Signature]  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f (a))

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

<b>BROKER OR DEALER</b> LIGHTSTONE SECURITIES, LLC	as of <u>12/31/09</u>
-------------------------------------------------------	-----------------------

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	A.I. <u>Liabilities</u>	Non-A.I. <u>Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1256	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	46,636 1205	1385	46,636 1585
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1(d)) of \$ 980		1410	1720
B. Securities borrowings, at market value from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$ 1000			
2. includes equity subordination (15c3-1(d)) of \$ 1010			
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 46,636 1230	\$ 1450	\$ 46,636 1760

<u>Ownership Equity</u>			
21. Sole proprietorship			1770
22. Partnership (limited partners)	\$ 1020		193,355 1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock			1792
C. Additional paid-in capital			1793
D. Retained earnings			1794
E. Total			1795
F. Less capital stock in treasury			(1796)
24. TOTAL OWNERSHIP EQUITY			\$ 193,355 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 239,991 1810

OMIT PENNIES

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

**BROKER OR DEALER**  
LIGHTSTONE SECURITIES, LLC

as of 12/31/09

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition .....	\$	193,355	3480
2. Deduct ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....		193,355	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 .....	\$	193,355	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from:			
Statement of Financial Condition (Notes B and C) .....	\$	42,795	3540
B. Secured demand note deficiency .....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
7. Other additions and/or allowable credits (List) .....			3630
8. Net Capital before haircuts on securities positions .....	\$	150,560	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 .....	\$	150,560	3750

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

**BROKER OR DEALER**  
LIGHTSTONE SECURITIES, LLC

as of 12/31/09

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	3,109	<u>3756</u>
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	<u>3758</u>
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	<u>3760</u>
14. Excess net capital (line 10 less 13)	\$	144,560	<u>3770</u>
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	144,560	<u>3780</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.L. liabilities from Statement of Financial Condition	\$	46,636	<u>3790</u>
17. Add:			
A. Drafts for immediate credit	\$	<u>3830</u>	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	<u>3810</u>	
C. Other unrecorded amounts (List)	\$	<u>3820</u>	<u>3830</u>
19. Total aggregate indebtedness	\$	46,836	<u>3840</u>
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	30.98	<u>3850</u>
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	0.00	<u>3860</u>

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	3880
24. Net capital requirement (greater of line 22 or 23)	\$	3760
25. Excess net capital (line 10 less 24)	\$	3910
26. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	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 aggregate 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 notes covered by subordination agreements not in satisfactory form and the market values of the 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

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

<b>BROKER OR DEALER</b> LIGHTSTONE SECURITIES, LLC
-------------------------------------------------------

For the period (MMDDYY) from 10/01/09 3932 to 12/31/09 3933  
 Number of months included in this statement 3931

**REVENUE**

**STATEMENT OF INCOME (LOSS)**

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$		3935
b. Commissions on listed option transactions			3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
3. Gains or losses on firm securities investment accounts			3952
4. Profits (losses) from underwriting and selling groups			3955
5. Revenue from sale of investment company shares			3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		224,057	3995
9. Total revenue	\$	224,057	4030

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers			
11. Other employee compensation and benefits		568,406	4115
12. Commissions paid to other brokers-dealers		8,640	4140
13. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements		4070	
14. Regulatory fees and expenses		44,400	4195
15. Other expenses		485,945	4100
16. Total expenses	\$	1,107,392	4200

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less item 16)			
18. Provision for Federal income taxes (for parent only)		(883,335)	4210
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4220
a. After Federal income taxes of		4238	
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of		4239	
21. Cumulative effect of changes in accounting principles			4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$	(883,335)	4230

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items			
		(418,343)	4211

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

<b>BROKER OR DEALER</b> LIGHTSTONE SECURITIES, LLC
-------------------------------------------------------

For the period (MMDDYY) from 10/01/09 to 12/31/09

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period	\$	227,690	4240
A. Net income (loss)		(883,335)	4250
B. Additions (includes non-conforming capital of	\$	4262	4260
C. Deductions (includes non-conforming capital of	\$	4272	4270
2. Balance, end of period (from item 1600)	\$	193,355	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period	\$	4300	4300
A. Increases			4310
B. Decreases			4320
4. Balance, end of period (from item 3520)	\$		4330

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

**BROKER OR DEALER**  
LIGHTSTONE SECURITIES, LLC

as of 12/31/09

**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based:

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) ..... \$ 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... x 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
4335 4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals, (as defined below),  
which have not been deducted in the computation of Net Capital.**

Type of Proposed Withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be with- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<u>4600</u>	<u>4601</u>	<u>4602</u>	<u>4603</u>	<u>4604</u>	<u>4605</u>
<u>4610</u>	<u>4611</u>	<u>4612</u>	<u>4613</u>	<u>4614</u>	<u>4615</u>
<u>4620</u>	<u>4621</u>	<u>4622</u>	<u>4623</u>	<u>4624</u>	<u>4625</u>
<u>4630</u>	<u>4631</u>	<u>4632</u>	<u>4633</u>	<u>4634</u>	<u>4635</u>
<u>4640</u>	<u>4641</u>	<u>4642</u>	<u>4643</u>	<u>4644</u>	<u>4645</u>
<u>4650</u>	<u>4651</u>	<u>4652</u>	<u>4653</u>	<u>4654</u>	<u>4655</u>
<u>4660</u>	<u>4661</u>	<u>4662</u>	<u>4663</u>	<u>4664</u>	<u>4665</u>
<u>4670</u>	<u>4671</u>	<u>4672</u>	<u>4673</u>	<u>4674</u>	<u>4675</u>
<u>4680</u>	<u>4681</u>	<u>4682</u>	<u>4683</u>	<u>4684</u>	<u>4685</u>
<u>4690</u>	<u>4691</u>	<u>4692</u>	<u>4693</u>	<u>4694</u>	<u>4695</u>
<b>TOTAL</b>			\$ <u>4699</u>		

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Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities

LIGHTSTONE SECURITIES LLC  
Financial Statements  
December 31, 2009

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**LIGHTSTONE SECURITIES, LLC**

**Financial Statements**

**December 31, 2009**

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**LIGHTSTONE SECURITIES, LLC**

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**INDEPENDENT AUDITORS' REPORT**

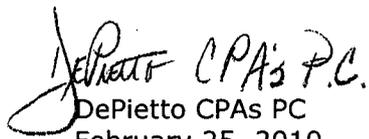
To the Member of  
Lightstone Securities, LLC  
1 International Blvd.  
Mahwah, NJ 07495

We have audited the accompanying statement of financial condition of Lightstone Securities, LLC as of December 31, 2009 and the related statements of income, changes in equity, and cash flows for the period then ended. 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 audits.

We conducted our audit in accordance with generally accepted auditing standards. 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 Lightstone Securities, LLC as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information 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 of the Securities and Exchange Commission. 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.

  
DePietto CPAs PC  
February 25, 2010

**LIGHTSTONE SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2009**

**ASSETS**

Current Assets			
Cash	\$	197,196	
Prepaid expenses		<u>4,680</u>	
Total Current Assets			201,876
Property, Plant & Equipment (net of accumulated depreciation of \$102,240 )			33,343
Other Assets			
Deposit		1,500	
Other receivable		<u>3,273</u>	
Total Other Assets			<u>4,773</u>
<b>TOTAL ASSETS</b>			<b><u>\$ 239,992</u></b>

**LIABILITIES AND EQUITY**

Current Liabilities			
Accounts payable	\$	<u>46,636</u>	
Total Current Liabilities			46,636
Member equity			<u>193,356</u>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b><u>\$ 239,992</u></b>

**LIGHTSTONE SECURITIES, LLC**  
**STATEMENT OF INCOME(LOSS)**  
**For the Period Ended December 31, 2009**

Revenues:			
Commissions		\$	326,547
Miscellaneous income			<u>1,054</u>
Total Revenues			327,601
Expenses:			
Automobile expense	84,620		
Commissions	224,958		
Computer expense	130,588		
Depreciation expense	18,660		
Dues & subscriptions	43,005		
Employee benefits	115,815		
Filing fees	4,324		
Insurance	24,318		
Internet expense	16,203		
Legal & accounting fees	98,204		
Office expense	30,410		
Outside service	25,353		
Payroll expense	1,472,498		
Payroll processing fees	5,533		
Payroll tax expense	128,837		
Postage & delivery	5,961		
Printing & reproduction	9,938		
Professional fees	5,974		
Recruiting expenses	43,896		
Regulatory expense	69,116		
Rent	65,820		
Seminars & events	28,706		
Telephone & utilities	75,243		
Travel & entertainment	<u>623,542</u>		
Total expenses			<u>3,351,522</u>
Net Loss			<u><u>\$ (3,023,921)</u></u>

**LIGHTSTONE SECURITIES, LLC**  
**STATEMENT OF CHANGES IN MEMBER EQUITY**  
**For the Period Ended December 31, 2009**

Member equity - January 1, 2009	\$ 153,398
Member contribution	3,063,879
Net Loss	<u>(3,023,921)</u>
Member equity - December 31, 2009	<u><u>\$ 193,356</u></u>

**LIGHTSTONE SECURITIES, LLC****STATEMENT OF CASH FLOWS****For the Period Ended December 31, 2009****Cash Flows from Operating Activities:**

Net Loss	\$ (3,023,921)
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation expense	18,660
Increase in prepaid expenses	(4,353)
Increase in deposit	(1,500)
Increase in other receivable	(3,273)
Increase in accounts payable	<u>(65,785)</u>

Net Cash Provided by Operating Activities	<u>(3,080,172)</u>
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**Cash Flows from Financing Activities:**

Member contribution	<u>3,063,879</u>
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Net Cash Provided by Financing Activities	<u>3,063,879</u>
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<b>Net Increase in Cash</b>	(16,293)
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<b>Cash - Beginning of year</b>	<u>213,489</u>
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<b>Cash - End of Period</b>	<u><u>\$ 197,196</u></u>
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**LIGHTSTONE SECURITIES, LLC****COMPUTATION OF NET CAPITAL  
Under SEC Rule 15c3-1****For the Period Ended December 31, 2009****NET CAPITAL**

Equity	\$ 193,356
Deductions and/or charges	
Non-allowable assets:	
Property, plant & equipment (net)	33,343
Other assets	9,453
Total non-allowable assets	<u>42,796</u>
Tentative Net Capital	150,560
Haircuts	<u>0</u>
Net Capital (15c3-1)	<u>\$ 150,560</u>

**AGGREGATE INDEBTEDNESS**

Items included in statement of financial condition:

Accounts payable	<u>\$ 46,636</u>
Total indebtedness	<u>\$ 46,636</u>

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 145,560</u>
Ratio: Aggregate indebtedness to net capital	<u>.31 to 1</u>

**LIGHTSTONE SECURITIES, LLC**

**RECONCILIATION TO NET CAPITAL REQUIREMENT OF ORIGINAL  
FOCUS FILING IN ACCORDANCE TO RULE 17a-5(a),(d)**

**For the Period Ended December 31, 2009**

	<b>Orig. Filing X-17A-5</b>	<b>Per Cert. Financial Report</b>	<b>Recon. in Filing vs Financial</b>
<b>NET CAPITAL</b>			
Equity	\$ 273,709	\$ 193,356	(80,353)
Deductions and/or charges			
Non-allowable assets:			
Property, plant & equipment (net)	52,003	33,343	(18,660)
Other assets	40,208	9,453	(30,755)
Total non-allowable assets	<u>92,211</u>	<u>42,796</u>	<u>(49,415)</u>
Tentative Net Capital	181,498	150,560	(30,938)
Haircuts	<u>0</u>	<u>0</u>	<u>0</u>
Net Capital (15c3-1)	<u>\$ 181,498</u>	<u>\$ 150,560</u>	<u>(30,938)</u>
<b>AGGREGATE INDEBTEDNESS</b>			
Items included in statement of financial condition:			
Accounts payable	\$ 15,698	\$ 46,636	30,938
Total indebtedness	<u>\$ 15,698</u>	<u>\$ 46,636</u>	<u>30,938</u>
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT</b>			
Minimum net capital requirement	\$ 5,000	\$ 5,000	-
Excess net capital	<u>\$ 176,498</u>	<u>\$ 145,560</u>	<u>(30,938)</u>
Ratio: Aggregate indebtedness to net capital	<u>.09 to 1</u>	<u>.31 to 1</u>	<u>.22 to 1</u>

The differences are due to accrual and posting adjustments made at year end 12/31/09

**LIGHTSTONE SECURITIES, LLC**  
**Notes to Financial Statements**  
**December 31, 2009**

**NOTE 1: Nature of Business**

**Organization**

LIGHTSTONE SECURITIES, LLC (The "Company") was formed in the state of New York as a single member limited liability company. The company is a member firm in the Financial Industry Regulatory Authority (FINRA), operates as a broker/dealer and has commenced operations in 2004. The company is licensed in all fifty States, Puerto Rico and the Virgin Islands, and specializes as a managing dealer syndicating structured securities in limited partnerships and other dealer offerings particular to Real Estate Investment Trusts (REIT).

**NOTE 2: Summary of Significant Accounting Policies**

**a) Revenue Recognition**

Revenue is recognized at point of sale.

**b) Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Company considers demand deposited money market funds and U.S. treasury obligations to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist of cash accounts in financial institutions, which at certain times exceed federally insured limits. As of October 3, 2008 the Federal Deposit Insurance Corporation (FDIC) increased its limits from \$100,000 to \$250,000. At December 31, 2009, the accounts did not exceed the insured limits.

**c) Income Taxes**

The company operates as a single member limited liability company for tax purposes. All income and losses are reported by the sole member on the entities tax return. Therefore, all income taxes are the responsibility of the sole member.

**d) Property and Equipment**

Furniture, fixtures and equipment are carried at cost. Depreciation is provided by using the modified accelerated cost recovery system (MACRS) over an estimated useful life of three to ten years. The method is used for book and tax purposes and does not differ materially from Generally Accepted Accounting Principle (GAAP) depreciation methods.

**LIGHTSTONE SECURITIES, LLC**  
**Notes to Financial Statements**  
**December 31, 2009**

**NOTE 2: Summary of Significant Accounting Policies**

**d) Property and Equipment(continued)**

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains and losses on disposition of property and equipment are included in income.

**e) Use of Estimates in the Preparation of Financial Statements**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

**NOTE 3: Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1) which requires broker dealers to maintain minimum net capital. The ratio of aggregate indebtedness to net capital, shall not exceed 15 to 1 for ongoing concerns. As per page 6, the company's current requirement is \$5,000. At December 31, 2009, the Company had a net capital of \$150,560 which was \$145,560 in excess of its required net capital of \$5,000. The Company's net capital ratio was .31 to 1.

**NOTE 4: Concentration of Funds**

The company does not maintain inventory of stocks, bonds or other security positions at risk.

**NOTE 5: Disclosure of Statement of Financial Condition**

A statement indicating that the Statement of Financial Condition of the most recent annual audit report of the broker or dealer pursuant to sec. 240.17a-5 is available for examination at the principal office of the broker or dealer and the regional or district office of the Securities & Exchange Commission for the region or district in which the broker or dealer has its principal place of business.

**LIGHTSTONE SECURITIES, LLC**  
**Notes to Financial Statements**  
**December 31, 2009**

**NOTE 6: Exemption Provisions**

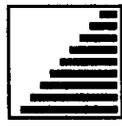
The Company has elected an exemption from Rule 15c3-3 based on section(2)(i), which states "Special Account for the Exclusive Benefit of customers" maintained.

**NOTE 7: Commitment and Contingencies**

Future lease payments on the rental of office space and furniture are as follows:

<u>Year</u>	<u>Rent expense</u>
2010	\$ 65,820

The monthly payment of \$5,484.99 represents \$1,343.43 for furniture and \$4,141.66 for rental space. The rent expense at December 31, 2009 was \$ 65,820.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL**

To the Member of  
Lightstone Securities, LLC  
1 International Blvd.  
Mahwah, NJ 07495

In planning and performing our audit of the financial statements of Lightstone Securities, LLC. for the year ended December 31, 2009, we considered its internal control, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the 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 (including tests of compliance with such practice and procedures) followed by Lightstone Securities, LLC. that we considered relevant to the objectives stated in Rule 17a-5(g)(1) 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 15c-3-3.

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 judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures can be expected to achieve the SEC's above mentioned objectives.

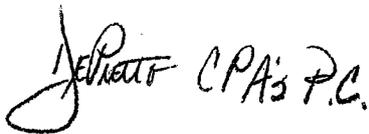
Two of the objectives of an internal control and practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in 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, or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projections 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.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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 except for the effect, if any, of the condition indicated in the preceding paragraph, the Company's practices and procedures were adequate at December 31, 2009 to meet the SEC's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers/dealers and should not be used by anyone other than these specified parties.



DePietto CPA's PC

Lake Success, New York  
February 25, 2010