

PUBLIC



SECUR

11019118

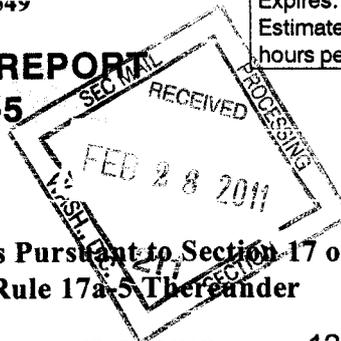
ION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0123
Expires: April 30, 2013
Estimated average burden
hours per response..... 12.00

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



SEC FILE NUMBER
8- 52967

519 38

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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Pristine Securities, LLC d/b/a Mastertrader.com

OFFICIAL USE ONLY
FIRM I.D. NO.

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

7-11 South Broadway

(No. and Street)

White Plains

NY

10601

(City)

(State)

(Zip Code)

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

Carol Irwin

(914) 682 - 7613

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Raich Ende Malter & Co. LLP

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

1375 Broadway, 15th Floor

New York

NY

10018

(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)

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.

OATH OR AFFIRMATION

I, Jaime Annexy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pristine Securities, LLC d/b/a Mastertrader.com, as of December 31, 20 10, 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:

CAROL J. IRWIN
Notary Public, State of New York
No. 01RI6027177
Qualified in Rockland County
Commission expires 06/28/2011

Jaime Annexy
Signature
President
Title

Carol J. Irwin
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).

PRISTINE SECURITIES, LLC

D/B/A MASTERTRADER.COM

Statement of Financial Condition

December 31, 2010

*(Filed Pursuant to Rule 17-a-5(e)(3) Under the Securities
Exchange Act of 1934 and Rule 1.10(g) of the Commodity
Exchange act as a PUBLIC DOCUMENT)*

PRISTINE SECURITIES, LLC

D/B/A MASTERTRADER.COM

Table of Contents
December 31, 2010

	PAGE
INDEPENDENT AUDITORS' REPORT	1
 FINANCIAL STATEMENT	
Statement of Financial Condition.....	2
 NOTES TO FINANCIAL STATEMENT	 3-5

INDEPENDENT AUDITORS' REPORT

To the Member
Pristine Securities, LLC
d/b/a Mastertrader.com

We have audited the accompanying statement of financial condition of Pristine Securities, LLC d/b/a Mastertrader.com as of December 31, 2010, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.10 under the Commodity Exchange Act. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of Pristine Securities, LLC d/b/a Mastertrader.com as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Raich Ende Malter & Co. LLP

RAICH ENDE MALTER & CO. LLP
New York, New York
February 21, 2011

PRISTINE SECURITIES, LLC
D/B/A MASTERTRADER.COM

Statement of Financial Condition
December 31, 2010

ASSETS

Cash and cash equivalents	\$ 189,818
Receivables from Clearing Broker - including clearing deposit requirement of \$60,000	384,247
Notes receivable - related party	362,000
Property and equipment - net	988
Other assets	7,544
	<hr/>
	\$ 944,597

LIABILITIES AND MEMBER'S EQUITY

Liabilities

Accounts payable and accrued expenses	\$ 160,365
---------------------------------------	------------

Member's Equity

	<hr/>
	784,232
	<hr/>
	\$ 944,597

PRISTINE SECURITIES, LLC

D/B/A MASTERTRADER.COM

Notes to Financial Statement

December 31, 2010

1 - ORGANIZATION

Pristine Securities, LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC"). The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association ("NFA").

The Company earns commissions from the purchase and sale of securities on behalf of customers as an introducing broker. All transactions related to publicly traded equity and debt securities are cleared through another broker/dealer (the "Clearing Broker") on a fully disclosed basis and, therefore, the Company is exempt from SEC Rule 15c3-3.

The Company was incorporated on April 28, 1999 under the laws of the State of New York and maintains offices in White Plains, New York. The Company is a single member limited liability company whose sole member is Pristine Capital Holdings, Inc. ("PCH").

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Cash and Cash Equivalents** - For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.
- b. **Revenue Recognition** - Commissions on trades executed on behalf of customers related to securities traded on exchanges registered with the SEC or whose prices are reported by NASDAQ are recorded on a trade date basis. Revenues from fees charged to customers, related to costs incurred by the Company for customer trading activity, are recognized when costs are incurred.
- c. **Property and Equipment** - Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which range from three to seven years.
- d. **Income Taxes** - The Company is a single member limited liability company that is treated as a disregarded entity for Federal and New York State income tax purposes. As such, PCH is required to report the Company's income or loss on its consolidated income tax returns. PCH has not provided for a tax sharing or benefit policy for allocating taxes, however, net operating losses are available to offset any income tax liability that may be allocated based on the Company's income. Accordingly, no provision for income taxes is included in the accompanying financial statements. PCH files federal, New York State, and various other state tax returns. The earliest tax year that is subject to examination by these taxing authorities is 2007.

The Financial Accounting Standards Board ("FASB") issued Accounting for Uncertainty in Income Taxes, which clarified the accounting and disclosures for uncertain tax positions related to income taxes recognized in the financial statements and addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company may recognize the tax benefit

from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position.

The Company did not have any material unrecognized tax benefits as of December 31, 2010 and does not expect this to change significantly over the next twelve months. In connection with the adoption of the guidance, the Company will recognize interest and penalties accrued on any unrecognized tax benefits as a component of other expense. As of December 31, 2010, the Company has no accrued interest or penalties related to uncertain tax positions.

- e. **Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities and the 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. Actual results could differ from those estimates.

3 - RECEIVABLES FROM CLEARING BROKER

The clearing and depository operations for the Company's customers' securities transactions are provided by the Clearing Broker pursuant to a clearance agreement.

At December 31, 2010, the amount due from the Clearing Broker represents cash deposits maintained at the Clearing Broker including a clearing deposit of \$60,000 and \$245,548 of commission revenue earned as an introducing broker for its customers, net of clearing expenses.

The Company has agreed to indemnify the Clearing Broker for losses that they may sustain from the customer accounts introduced by the Company. Losses, if any, on customer accounts are recorded as an offset of commission income.

4 - RELATED PARTY TRANSACTIONS

The Company has an expense sharing agreement with PCH for services, rent, and common expenses which are shared, exclusive of payroll and related taxes. The agreement is on a month to month basis, and can be terminated by either party at any time.

PCH borrowed funds from the Company which are summarized as follows:

- Non-interest bearing note receivable issued December 2004 in the original amount of \$250,000. Aggregate principle payments received through December 31, 2008 were \$88,000. No payments were received during the years ended December 31, 2009 and 2010. At December 31, 2010, the remaining principle balance of \$162,000 is payable on demand.
- Non-interest bearing note receivable issued June 2005 in the amount of \$200,000. No principle payments have been received. At December 31, 2010, the principle balance of \$200,000 is payable on demand.

The Company has a sponsorship arrangement with Pristine Services, a related company through common ownership, to provide for education and training seminars to its customers. The arrangement is on a quarterly basis, and can be terminated by either party at any time.

5 - PROPERTY AND EQUIPMENT

At December 31, 2010, property and equipment consists of the following:

Furniture and equipment	\$ 15,790
Trade show display	2,963
Telephone system	1,150
	<u>19,903</u>
Less: Accumulated depreciation and amortization	<u>18,915</u>
	<u>\$ 988</u>

Depreciation expense for the year ended December 31, 2010 was \$4,935.

6 - CONCENTRATION

The Company maintains cash balances at a financial institution subject to Federal Deposit Insurance Corporation ("FDIC") regulations. Cash in banks are insured up to \$250,000 per institution by the FDIC. At times, amounts on deposit exceed the FDIC insurance limit of \$250,000. As of December 31, 2010, the Company's cash balances on deposit did not exceed insured limits.

7 - NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission ("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. The Company is also subject to the adjusted net capital requirements of the CFTC Regulation 1.17 and the requirements of the National Futures Association. At December 31, 2010, the Company had net capital of \$394,239 which was \$349,239 in excess of its required net capital of \$45,000 and the Company's net capital ratio was 0.41 to 1.

At December 31, 2010, the Company was in compliance with the requirements of SEC Rule 15c3-1 and CFTC Regulation 1.17.

8 - OFF-BALANCE-SHEET RISK

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to a clearing broker on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the Clearing Broker monitor collateral on the customers' accounts.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.