

7/24

KH



12061826

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

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  
8-67801 ✓

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, 2011 AND ENDING DECEMBER 31, 2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SPARTAN CAPITAL SECURITES, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
45 BROADWAY, 9TH FLOOR

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

NEW YORK NEW YORK 10016  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
STEPHEN BRANDT  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

P. D'ANGELO, CPA, P.C.  
(Name - if individual, state last, first, middle name)

2001 PALMER AVE., SUITE 201 LARCHMONT NY 10538  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

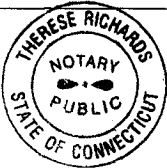
**FOR OFFICIAL USE ONLY**

\*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)

7-23

OATH OR AFFIRMATION

I, STEPHEN BRANDT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SPARTAN CAPITAL SECURITES, LLC, as of DECEMBER 31, 20 11, 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:



Therese Richards
NOTARY PUBLIC
State of Connecticut
My Commission Expires
May 31, 2014
# 138255

Therese Richards
Notary Public

STEPHEN BRANDT
Signature
CONTROLLER
Title

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).

P. D'Angelo, CPA, P.C.  
Certified Public Accountant  
2001 Palmer Avenue, Suite 201  
Larchmont, NY 10538

(914) 833-4272  
phil@pdangelocpa.com

fax - (888) 795-4514  
www.pdangelocpa.com

---

**INDEPENDENT AUDITOR'S REPORT**

To the Managing Members  
Spartan Capital Securities, LLC  
New York, New York

We have audited the accompanying statement of financial condition of Spartan Capital Securities, LLC as of December 31, 2011, and the related statements of operations, changes in member's 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 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 on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Spartan Capital Securities, LLC at December 31, 2011, 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 Schedule 1 and 2 are 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. This schedule is the responsibility of the Company's management. 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.

  
P. D'ANGELO, CPA, P.C.  
CERTIFIED PUBLIC ACCOUNTANT

February 24, 2012  
Larchmont, New York

**SPARTAN CAPITAL SECURITIES, LLC**

*STATEMENT OF FINANCIAL CONDITION*  
*DECEMBER 31, 2011*

---

**ASSETS**

*Current assets*

Cash in banks	\$	15,265
Receivables from clearing brokers, including clearing deposit of \$50,000		635,364
Prepaid expenses - related party		664,273
Prepaid expenses - other		55,165
<i>Total current assets</i>		<u>1,370,067</u>

*Other assets*

56,793

**TOTAL ASSETS** \$ 1,426,860

**LIABILITIES AND MEMBER'S EQUITY**

*Current liabilities*

Accounts payable and accrued expenses	\$	404,952
<i>Total current liabilities</i>		<u>404,952</u>

**TOTAL LIABILITIES** 404,952

*Member's equity*

1,021,908

**TOTAL MEMBER'S EQUITY** 1,021,908

**TOTAL LIABILITIES AND MEMBER'S EQUITY** \$ 1,426,860

# SPARTAN CAPITAL SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

Spartan Capital Securities, LLC f/k/a Spartan Capital Management, LLC (the "Company") is a limited liability company formed under the laws of the state of New York on June 26, 2007. On July 10, 2008, the Company became a broker dealer registered with the Securities and Exchange Commission (SEC) and is a member firm in the Financial Industry Regulatory Authority (FINRA). On April 9, 2009 the firm changed its name from Spartan Capital Management, LLC to Spartan Capital Securities, LLC. The Company is registered in all 50 states.

The Company's operations consist primarily of engaging in agency and riskless principal transactions and providing investment banking services. As a full-service brokerage firm, the Company offers a wide array of products to its clients. The Company also acts as a municipal securities broker and also offers private placements and participates in public offerings as both an underwriter and selling group member. The Company also earns fee from banking and market advisory services. Revenues are derived primarily from commission income.

These financial statements are presented on the accrual basis of accounting.

### Cash and Cash Equivalents

The Company considers money market accounts to be cash equivalents.

### Revenue and Expense Recognition from Securities Transactions

Securities transactions and the related income and expenses are recorded on the trade-date basis.

### Significant Credit Risk and Estimates

As a registered broker-dealer, the Company is subject to regular reviews and inspections by regulatory authorities and self-regulatory organizations.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management of the Company to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Company maintains its cash balances in various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution.

### Income Taxes

The Company has adopted FASB Staff Position No. FIN 48-3, which has been updated by FASB ASU No. 2009-06 for exempted non-public entities. Pursuant to the FASB ASU update the company has not recognized any interest or penalty expense in this financial statement for any uncertain tax position. In addition, the Company does not expect any material changes to its basis of accounting for uncertain tax positions within the next twelve (12) months.

No provision for income taxes has been recorded because the Company is a limited liability company. Accordingly, the individual member will report their share of the Company's income or loss on its income tax return.

# SPARTAN CAPITAL SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

---

### 2. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k) (2) (ii) of the Rule.

### 3. RELATED PARTY TRANSACTIONS

The Company is obligated to Spartan Capital Holdings, LLC, its parent, under an administrative services agreement. The agreement provides the Company with the non-exclusive right to use office space and all office fixtures and equipment suitable and customary for the conduct of its activities and certain operating expenses. Administrative services expense was \$570,064 for the year ended December 31, 2011. There are no amounts due to the parent for use of its fixtures. The Company has advanced its parent \$713,000 for the future improvements associated with the expansion of the offices and various other overhead costs.

### 4. NET CAPITAL REQUIREMENT

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c-3-1), 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 (and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2011 the Company had net capital of \$242,735, which was \$142,735 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 166.83% as of December 31, 2011.

### 5. CONTINGENCIES AND ACCRUED LIABILITIES

The Company, pursuant to clearance agreements, introduces all of its securities transactions to clearing brokers 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 brokers. In accordance with the clearing agreement, the Company has agreed to indemnify the clearing broker for losses, 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 customers' accounts. As of December 31, 2011 the Company has \$5,755 of unsecured debits on account of its customers. The clearing company's policy is to charge the Company if any uncollected debits are outstanding longer than 30 days.

### 6. TRANSFER OF PARTNERSHIP INTERESTS

On December 18, 2009 the Company and its parent finalized a Settlement Agreement with a former officer/member of the Company. Pursuant to this agreement the parent company made three (3) installments to the former officer/member to repurchase her interest in the parent company. This agreement was satisfied in 2010 and there are no further obligations due to the former member.