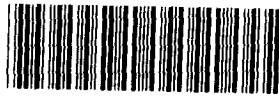


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL  
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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 February 17, 2012 AND ENDING June 30, 2012  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Sussman Financial Services, LLC

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

12 Parmenter Road, Suite C-6

(No. and Street)

Londonderry,

NH

03053

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Stephen Sussman 603-434-3594

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Karll, Harvey, CPA, PC

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

41 Middle Street

Newburyport

MA

01920-2755

(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)

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Cliff

Cliff  
8/21

OATH OR AFFIRMATION

I, Stephen Sussman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sussman Financial Services, LLC, at of June 30, 2012, 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:

Stephen J. Sussman
Signature

Manager
Title

Karen J. Hagan
Notary Public

KAREN J. HAGAN, Notary Public
My Commission Expires September 5, 2012

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 au

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



## Harvey E. Karl CPA, P.C.

41 Middle Street  
Newburyport, Massachusetts 01950  
(978) 465-9512 Fax (978) 462-9043

### **Report on Internal Control Required by SEC Rule 17a-5 for a Broker-Dealer Claiming an Exemption From SEC Rule 15c3-3**

Board of Directors and Sole Member  
Sussman Financial Services, LLC  
Londonderry, NH

In planning and performing my audit of the financial statements of Sussman Financial Services, LLC, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my 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), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debts) 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, I 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 judgments 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 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 any internal control or the practices and procedures referred to above, errors 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 financial statements will not be prevented or detected by the entity's internal control.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above.

I 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 my study, I believe that the Company's practices and procedures were adequate at June 30, 2012 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, Management, the SEC, (Designated self-regulatory organization) , 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.



Harvey E. Karl, CPA, PC  
Newburyport, MA

August 10, 2012

SUSSMAN FINANCIAL SERVICES, LLC  
AUDITED FINANCIAL STATEMENTS  
INCEPTION (FEBRUARY 17, 2012) TO JUNE 30, 2012

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# Harvey E. Karll CPA, P.C.

41 Middle Street  
Newburyport, Massachusetts 01950  
(978) 465-9512 Fax (978) 462-9043

Stephen Sussman  
Sussman Financial Services, LLC  
Londonderry, NH

## INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial condition of Sussman Financial Services, LLC, as of June 30, 2012, and the related statements of income, 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards, generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sussman Financial Services, LLC, as of June 30, 2012, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

My 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 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Harvey E. Karll CPA, P.C.  
August 10, 2012

SUSSMAN FINANCIAL SERVICES, LLC  
Statement of Financial Condition  
June 20 2012

Assets

Cash and Cash Equivalents	\$ 37,114
Prepaid Fidelity Bond	<u>1,190</u>
	<u>\$ 38,304</u>
	=====

Liabilities and Member's Capital

Liabilities:	
Accounts Payable	<u>\$ 75</u>
 Member's Capital	 <u>38,229</u>
	 <u>\$ 38,304</u>
	=====

(See Independent Auditor's Report & Accompanying Notes)



SUSSMAN FINANCIAL SERVICES, LLC  
Statement of Income  
Inception to June 30, 2012

Revenue	
Interest Income	\$    15
Operating Expenses	
Fees & License	185
Rent	2,000
Email Compliance	375
Other Expenses	<u>701</u>
Total Operating Expenses	<u>3,261</u>
Net Income (Loss)	<u><u>(\$ 3,246)</u></u>

(See Independent Auditor's Report & Accompanying Notes)

SUSSMAN FINANCIAL SERVICES, LLC  
Statement of Changes in Member's Capital  
Inception (February 17, 2012) to June 30, 2012

Balance, February 16, 2012	\$ 39,475
Net income (Loss)	( 3,246)
Member contributions	<u>2,000</u>
Balance, June 30, 2012	<u><u>\$ 38,229</u></u>

(See Independent Auditor's Report and Accompanying Notes)

SUSSMAN FINANCIAL SERVICES, LLC  
Statement of Cash Flows  
Inception (February 17, 2012) to June 30, 2012

	Year to Date
Cash Provided from Operations	
Net Income (Loss)	(\$ 3,247)
Adjustments	
Add:	
Accounts Payable – Trade	75
Less:	
Prepaid Expenses	<u>( 1,190)</u>
Cash from Operations	( 4,362)
Cash Flows – Invested	
Investing Cash Flows	<u>0</u>
Cash Flows – Financing	
Member Contribution	<u>2,000</u>
Financing Cash Flows	<u>2,000</u>
Cash Increase (Decrease)	( 2,362)
Cash – Beginning of Year	
Cash – Checking	869
Cash – Money Market	<u>38,607</u>
Total Beginning of Year	<u>39,476</u>
Cash on Statement Date	<u>\$ 37,114</u>

(See Independent Auditor’s Report and Accompanying Notes)

SUSSMAN FINANCIAL SERVICES, LLC  
Notes to Financial Statements  
For Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Sussman Financial Services, LLC, was formed October 19, 2010, in the State of New Hampshire. In February 17, 2012, the company was approved by FINRA (Financial Industry Regulatory Authority) as a broker dealer. The company is in the business of assisting in the purchase and sale of shell broker/dealers and providing compliance consulting to broker/dealers and investment advisors.

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. Actual results could differ from those estimates.

Basis of Accounting

The Company uses the accrual method of accounting for financial purposes.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may be in excess of the federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2012, the company had nothing in excess of FDIC insured limits. The company has not experienced any losses in such accounts.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

Fair Value of Financial Statements

The company's financial statements are cash and cash equivalents, and accrued expenses. The recorded values of the cash and cash equivalents, and accrued expenses approximate their fair values based on their short-term nature.

(See Independent Auditor's Report & Accompanying Notes)

SUSSMAN FINANCIAL SERVICES, LLC  
Notes to Financial Statements  
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company is recognized as a single member limited liability company for income tax purposes under the provisions of the Internal Revenue Code for Limited Liability Companies. As a result, income and losses of the Company are passed through to its sole member for income tax reporting purposes. Accordingly, no provision has been made for federal or state income taxes.

The Company is subject to federal or state tax examination by taxing authorities for year ending December 31, 2012

2. RELATED PARTY TRANSACTIONS

Related Party Transactions

The company leases office space from the sole member on a triple net, month to month basis. In lieu of rent payments, the monthly rent is considered as additions to member's capital contributions. The contribution in lieu of rent will not be deemed a loan nor paid back to the sole member. From February 17, 2012, to June 30, 2012, the contributions to capital totaled \$2,000.

3. NET CAPITAL

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital of \$5,000 and the ratio of aggregate indebtedness to net capital must be less than 15 to 1, as defined under such provisions. At June 30, 2012, the Company had net capital of \$37,039, exceeding the minimum net capital requirement of \$5,000 by \$32,039. At June 30, 2012, the Company had a ratio of aggregate indebtedness to net capital of .20 to 1.

There was no material differences between the audited net capital and that filed originally by the Company as of June 30, 2012.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 10, 2012, the date on which the financial statements were available to be issued.

(See Independent Auditor's Report & Accompanying Notes)

SUPPLEMENTARY INFORMATION

SUSSMAN FINANCIAL SERVICES, LLC  
Computation of Net Capital Pursuant to SEC Rule 15c3-1  
June 30, 2012

Schedule I

Total Member's Capital	\$ 38,229
Less: Non-Allowable Assets	<u>1,190</u>
Net Capital	37,039
Less: Capital Requirement	<u>5,000</u>
Excess Net Capital	\$ 32,039 =====
Aggregate Indebtedness	\$ 75 =====
Ratio of Aggregate Indebtedness To Net Capital	0.20 to 1

There was no material difference between the audited net capital and the unaudited net Capital on the June 30, 2012, FOCUS report.

( See Independent Auditor's Report and Accompanying Notes)

Schedule II  
 FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
 PART IIA

BROKER OR DEALER Sussman Financial Services, LLC

EXEMPTIVE PROVISION UNDER RULE 15c3-3

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 of clearing firm(s)

Clearing Firm SEC#s

Name

Product Code

8- _____ [4335A]	_____	_____ 4335B
8- _____ [4335C]	_____	_____ 4335D
8- _____ [4335E]	_____	_____ 4335F
8- _____ [4335G]	_____	_____ 4335H
8- _____ [4335I]	_____	_____ 4335I

D. (k) (3) Exempted by order of the Commission \_\_\_\_\_ 4580

(See Independent Auditor’s Report & Accompanying Notes)