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SEC  
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Section

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

FEB 08 2013  
Washington DC  
401

SEC FILE NUMBER
8-50205

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, 2012 AND ENDING DECEMBER 31, 2012  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FLORIDA ATLANTIC SECURITIES CORP.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

TWO DATRAN CENTER, 9130 SOUTH DADELAND BLVD., SUITE 1628

(No. and Street)

MIAMI

FLORIDA

33156

(City)

(State)

(Zip Code)

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

JOSE R. FERNANDEZ

(305) 670-9250

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.

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

8370 WEST FLAGLER STREET, SUITE 125, MIAMI

FLORIDA

33144

(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

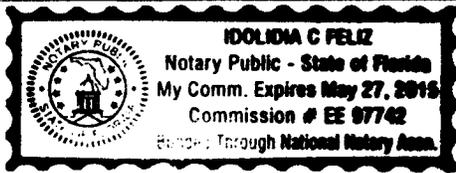
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

01/21/13

OATH OR AFFIRMATION

I, ALAN PAREIRA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FLORIDA ATLANTIC SECURITIES CORP., as of DECEMBER 31, 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:

- NONE -



Alan Pareira

Signature

PRESIDENT

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.
(o) Independent Auditor's Report on Internal Control.

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



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**FEB 06 2013  
Washington DC  
401**

FLORIDA ATLANTIC SECURITIES CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2012

**ROTH, JONAS, MITTELBERG,  
& HARTNEY, CPA's, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS**

FLORIDA ATLANTIC SECURITIES CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2012

## INDEPENDENT AUDITORS REPORT

To the Board of Directors and Stockholders  
of Florida Atlantic Securities Corp.

### **Report on the Financial Statements**

We have audited the accompanying statement of financial condition of Florida Atlantic Securities Corp. (a Florida Corporation) as of December 31, 2012, and the related statements of operations, changes in stockholders' 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, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITORS REPORT (Continued)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Atlantic Securities Corp. as of December 31, 2012 and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules 1, 2 and 3 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedules 1,2 and 3 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedules 1,2 and 3 is fairly stated in all material respects in relation to the financial statements as a whole.

*ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.*

ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.

Miami, Florida

January 28, 2013

FLORIDA ATLANTIC SECURITIES CORP.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

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ASSETS

CURRENT ASSETS

Cash in Banks and on Hand	\$ 645,472	
Deposit with Clearing Broker	932,505	
Accounts Receivable, No Reserve Required	239,239	
Prepaid Expenses	<u>11,469</u>	
Total Current Assets		\$ 1,828,685

OTHER ASSETS

Lease Security Deposit	\$ 7,017	
Property and Equipment, at Cost, Net of Accumulated Depreciation of \$18,072	<u>-</u>	
Total Other Assets		<u>7,017</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,835,702</u>

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LIABILITIES AND STOCKHOLDERS' EQUITYCURRENT LIABILITIES

Accounts Payable	\$ 14,247	
Accrued Salaries and Commissions	<u>223,075</u>	
Total Current Liabilities		\$ 237,322

STOCKHOLDERS' EQUITY

Common Stock - \$.01 Par Value; Voting Shares, Class A; Authorized - 2,000,000 Shares; Issued - 295,000 Shares	\$ 2,950	
Common Stock - \$.01 Par Value; Non-Voting Shares, Class B; Authorized - 1,000,000 Shares; No Shares Outstanding	-	
Additional Paid-In Capital	334,830	
Retained Earnings	<u>1,260,600</u>	
Total Stockholders' Equity		<u>1,598,380</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 1,835,702</u>

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

FLORIDA ATLANTIC SECURITIES CORP.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>REVENUES</u>		\$ 1,860,844
<u>OPERATING EXPENSES</u>		
Salaries, Commissions, and Related Costs	\$ 816,792	
Clearance, Quotation, and Communication Costs	137,491	
Occupancy Expense	80,544	
Taxes, Other than Income Taxes	846	
Other Operating Expenses	<u>89,743</u>	
Total Operating Expenses		<u>1,125,416</u>
<u>PROFIT FROM OPERATIONS</u>		\$ 735,428
<u>INTEREST EXPENSE</u>		<u>-</u>
<u>PROFIT BEFORE INCOME TAXES</u>		\$ 735,428
<u>PROVISION FOR INCOME TAXES</u>		<u>-</u>
<u>NET PROFIT</u>		<u>\$ 735,428</u>

No Provision for Income Taxes has been provided as the Company and its stockholders' have elected "Subchapter S" status, whereby the Company does not pay Federal or State corporate taxes on its taxable income, but instead the stockholders are liable for individual taxes on their respective share of the corporation's taxable income.

FLORIDA ATLANTIC SECURITIES CORP.  
STATEMENT OF STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Class A</u> <u>Common Stock</u>		<u>Class B</u> <u>Common Stock</u>		<u>Additional</u> <u>Paid-in</u> <u>Capital</u>	<u>Retained</u> <u>Earnings</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>		
Balance - January 1, 2012	295,000	\$ 2,950	-	\$ -	\$ 334,830	\$ 4,225,172
Distributions to Shareholders	-	-	-	-	-	(3,700,000)
Net Profit for the Period	-	-	-	-	-	735,428
Balance - December 31, 2012	<u>295,000</u>	<u>\$ 2,950</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 334,830</u>	<u>\$ 1,260,600</u>

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

FLORIDA ATLANTIC SECURITIES CORP.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>OPERATING ACTIVITIES</u>		
Net Profit	\$ 735,428	
Adjustments to Reconcile Net Profit to Net		
Cash Provided by (Used In) Operating Activities:		
Depreciation and Amortization	-	
(Decrease) in Unrealized Loss on Trading		
Securities Owned, Marketable and		
Not Readily Marketable	(116,316)	
Changes in Operating Assets and Liabilities:		
Decrease in Deposit with Clearing Broker	3,613,512	
(Increase) in Accounts Receivable	(29,156)	
Decrease in Trading Securities Owned, at		
Cost	4,062,980	
(Increase) in Prepaid Expenses	(3,040)	
(Decrease) in Due to Correspondent Broker	(4,062,980)	
(Increase) in Lease Security Deposit	(2,658)	
Increase in Accounts Payable and Accrued		
Expenses	<u>3,360</u>	
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		<u>\$ 4,201,130</u>
<u>FINANCING ACTIVITIES</u>		
Distributions to Stockholders	<u>\$ (3,700,000)</u>	
<u>NET CASH (USED IN) FINANCING ACTIVITIES</u>		<u>(3,700,000)</u>
<u>(DECREASE) IN CASH</u>		<u>\$ 501,130</u>
<u>CASH AT BEGINNING OF YEAR</u>		<u>144,342</u>
<u>CASH AT END OF YEAR</u>		<u>\$ 645,472</u>
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES</u>		
Interest Paid		<u>\$ -</u>
Income Taxes Paid		<u>\$ -</u>

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

FLORIDA ATLANTIC SECURITIES CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

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NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Organization and Business - The Company was incorporated under the laws of the State of Florida on April 16, 1997, for the purpose of selling investment products and securities and other services related to investment advisement, money management, and other business services. The Company's customer base is primarily located in Florida.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Customers, Broker-Dealers, Trading Inventory and Investment Balances - The Company is a registered broker-dealer and maintains its accounts on a settlement date basis; however, the accompanying financial statements are prepared on a trade date basis. The Company is an introducing broker, and as such, clears all transactions through a correspondent broker who carries all customer and company accounts and maintains physical custody of customer and company securities.

All securities are valued at quoted market price and unrealized gains and losses are included in revenues from firm and investment trading. The Company does not own any securities at December 31, 2012.

Government and Other Regulation - The Company's business is subject to significant regulation by various government agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

Property, Equipment, and Related Depreciation - Depreciation of property and equipment was provided by the straight-line method of depreciation at a rate calculated to amortize the cost of the assets over their estimated useful lives. The lives used in computing depreciation are as follows:

	<u>Years</u>
Furniture and Equipment	5

The costs of maintenance and repairs of property and equipment are charged to expense as incurred. Costs of renewals and betterments are capitalized in the property accounts. When properties are replaced, retired, or otherwise disposed of, the cost of such properties and accumulated depreciation are deducted from the asset and depreciation reserve accounts. The related profit or loss, if any, is recorded in income.

FLORIDA ATLANTIC SECURITIES CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

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NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Company considers highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company's cash balances consist of cash held at one commercial bank.

Income Taxes - For income tax purposes, the Company accounts for all trading securities owned on a market value basis.

No provision for income taxes has been provided as the Company and its stockholders have elected "Subchapter S" status, whereby the Company does not pay Federal and State corporate taxes on its taxable income, but instead the stockholders are liable for individual taxes on their respective share of the corporation's taxable income.

Use of Estimates - The financial statements have been prepared in conformity with United States generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

Subsequent Events - In May 2009, the FASB issued an accounting standard that establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or ready to be issued. The standard is effective for interim and annual periods ending after June 15, 2009. The standard did not have a material effect on the Company's financial statements.

NOTE 3 - NET CAPITAL RULE

As a broker-dealer registered with the Securities and Exchange Commission, the Company must comply with the provisions of the Commission's "Net Capital" rules, which provide that "aggregate indebtedness", as defined, shall not exceed 15 times "Net Capital", as defined, and the "Net Capital", shall not be less than \$100,000. At December 31, 2012, the Company's "Net Capital" was substantially in excess of its minimum requirement, and at no time during the year 2012 was the net capital short of the minimum requirement.

FLORIDA ATLANTIC SECURITIES CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

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NOTE 4 - CONTINGENCIES

The Company entered into a new lease on September 12, 2012 for its office space in Miami, Florida. This lease did not commence until January 2013, when the landlord completed certain renovations.

Minimum rentals under this lease, not including possible increases for operating expenses, are as follows:

Year Ended December 31

2013	\$ 84,207
2014	86,747
2015	89,338
2016	92,006
2017	94,779
2018	<u>32,543</u>
	<u>\$ 479,620</u>

NOTE 5 - ACCOUNTS RECEIVABLE

A breakdown of the Net Accounts Receivable as of December 31, 2012 is as follows:

Due from Correspondent Broker	\$ 8,325
Accounts and Loans Receivable	230,656
Dividends and Interest	<u>258</u>
	<u>\$ 239,239</u>

The amount Due From Correspondent Broker represents the net commissions and trading revenue from December 2012 received in January 2013.

Accounts receivable due from others are uncollateralized earned fees arising from the Company's normal operations. Management has reviewed all accounts receivable balances and determined that these balances are fully collectible and are therefore stated at net realizable value with no reserve for doubtful accounts required.

FLORIDA ATLANTIC SECURITIES CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

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NOTE 6 - REVENUES

A breakdown of the Revenues earned for the year ended December 31, 2012 is as follows:

Commissions	\$ 1,384,899
Administrative and Advisory Fees	244,234
Firm and Investment Trading	49,959
Interest, Dividends, and Other	<u>181,752</u>
	<u>\$ 1,860,844</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Company maintains its bank accounts at one financial institution. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2012 the Company's cash balance exceeded its insured amount by \$ 395,472.

NOTE 8 - DATE OF MANAGEMENT'S REVIEW

As of the date of this report (January 28, 2013) there have been no subsequent events which need to be disclosed in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

FLORIDA ATLANTIC SECURITIES CORP.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2012

NET CAPITAL

Total Stockholders' Equity		\$ 1,598,380
Add: Liabilities Subordinated to Claims of General Creditors		<u>-</u>
Total Capital and Allowable Subordinated Loans		\$ 1,598,380

## Less (Add): Non-Allowable Assets and Other Deductions (Credits):

1. Net Property and Equipment	\$ -	
2. Accounts and Loans Receivable	230,656	
3. Securities Non-Readily Marketable	-	
4. Prepaid Expenses	11,469	
5. Lease Security Deposit	<u>7,017</u>	<u>249,142</u>

Net Capital Before Haircuts on Security Positions \$ 1,349,238

Haircuts on Securities, Computed, where Applicable,  
Pursuant to 15c3-1(f):

## 1. Trading and Investment Securities:

a. Exempted Securities	\$ -	
b. Debt Securities	-	
c. Options	-	
d. Other Securities	-	<u>-</u>

Net Capital \$ 1,349,238

NOTE - There are no significant differences in the computation of adjusted net capital between the unaudited broker-dealer focus report and the audited annual report.

FLORIDA ATLANTIC SECURITIES CORP.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2012

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AGGREGATE INDEBTEDNESS

Items Included in Statement of Financial Condition

Accounts Payable - Due to Others	\$ 14,247	
Accrued Salaries and Commissions	<u>223,075</u>	
Total Aggregate Indebtedness		<u>\$ 237,322</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum Net Capital Required (6 2/3 Percent of Total Aggregate Indebtedness)		<u>\$ 15,821</u>
Minimum Net Capital Requirement		<u>\$ 100,000</u>
Excess Net Capital (Net Capital Less Net Capital Required)		<u>\$ 1,249,238</u>
Net Capital Less Greater of 10% of Aggregate Indebtedness or 120% of Minimum Net Capital Required		<u>\$ 1,229,238</u>
Percentage of Aggregate Indebtedness to Net Capital		<u>17.59%</u>

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Non-Applicable

FLORIDA ATLANTIC SECURITIES CORP.  
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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Balance, Beginning of Year	\$ -
Additions	-
Decreases	<u>-</u>
Balance, End of Year	<u>\$ -</u>

FLORIDA ATLANTIC SECURITIES CORP.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS

UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2012

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The Company claims an exemption from Rule 15c3-3 under Section (k) (2) (ii) in that all customer transactions clear through another broker-dealer on a fully disclosed basis. The clearing firm is National Financial Services, LLC., a wholly owned subsidiary of Fidelity Brokerage Co.

SUPPLEMENTARY REPORT ON INTERNAL CONTROL

Independent Auditor's Report on Internal  
Accounting Control Required by SEC Rule 17a-5

Board of Directors  
Florida Atlantic Securities Corp.

In planning and performing our audit of the financial statements and supplemental schedules of Florida Atlantic Securities Corp. (the Company), as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting 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 previously 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 United States 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 deficiency in internal control 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 and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

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 previously.

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, 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, the New York Stock Exchange, Inc., the Financial Industry Regulatory Authority, 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.

*ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.*

ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.

Miami, Florida

January 28, 2013

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES  
RELATED TO AN ENTITY'S SIPC ASSESSMENT REGULATION

ROTH, JONAS, MITTELBERG  
& HARTNEY, CPA's, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT ROTH, CPA  
PETER F. JONAS, CPA  
RICKEY I. MITTELBERG, CPA  
JOHN C. HARTNEY, CPA

Board of Directors  
Florida Atlantic Securities Corp.  
Miami, Florida

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by Florida Atlantic Securities Corp. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and other designated examining authority, solely to assist you and the other specified parties in evaluating Florida Atlantic Securities Corp.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Florida Atlantic Securities Corp's management is responsible for the Florida Atlantic Securities Corp's compliance with those requirements. This agreed-upon procedures engagement was conducted in compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in form SIPC-7T with respective cash disbursement records entries, including cash disbursement journals and copies of the checks issued in payment, noting no differences.
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012, as applicable, with the amounts reported in Form SIPC-7T for the year ended December 31, 2012, noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, including interim profit and loss statements and interim unaudited Company prepared focus reports, noting no differences.

Florida Atlantic Securities Corp.

Page Two

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, including Company prepared unaudited interim focus reports and profit and loss statements, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.*

ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.

Miami, Florida

January 28, 2013

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

For the fiscal year ended 12/31/2012  
(Read carefully the instructions in your Working Copy before completing this Form)

**SIPC-7**

(33-REV 7/10)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

050205 FINRA DEC  
FLORIDA ATLANTIC SECURITIES CORP 15\*15  
TWO DATRAN CENTER  
9130 S DADELAND BLVD STE 1704  
MIAMI FL 33156-7858

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

ANDY FERNANDEZ 305-670-9250

- 2. A. General Assessment (item 2e from page 2) \$ 4262.94
- B. Less payment made with SIPC-6 filed (exclude interest) (1843.78)
- 7-20-12  
Date Paid
- C. Less prior overpayment applied (                    )
- D. Assessment balance due or (overpayment) 2419.16
- E. Interest computed on late payment (see instruction E) for            days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 2419.16
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 2419.16
- H. Overpayment carried forward \$(          0          )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

FLORIDA ATLANTIC SECURITIES CORP

(Name of Corporation, Partnership or other organization)

[Signature]

(Authorized Signature)

Dated the 24th day of JANUARY, 20 13.

SEN TREAS

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER** Dates:                      Postmarked                      Received                      Reviewed                     

Calculations                      Documentation                      Forward Copy                     

Exceptions:                     

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2012  
and ending 12/31/2012

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents  
\$ 1,820,115

**2b. Additions:**

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

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

Total additions

**2c. Deductions:**

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

96744  
\_\_\_\_\_  
18197  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

114,941  
\_\_\_\_\_  
1,705,174

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

\$ 4262.94  
\_\_\_\_\_  
(to page 1, line 2.A.)