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ANNUAL AUDITED REPORT

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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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY

GRENEL & CO., LLC.

FIRM ID. NO.

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

31-33 Crestwood Drive

West Orange

NJ

07052

(City)

(State)

(Zip Code)

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

ROBERT GREENFIELD, Member

973-731-0584

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

LERNER & SIPKIN, CPAs LLP

132 Nassau Street, Suite 1023

New York

NY

10038

X Certified Public Accountant

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).

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

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

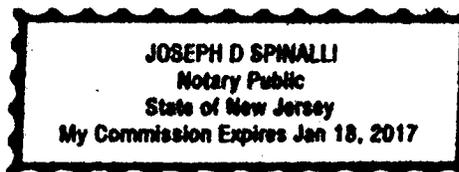
I, **ROBERT GREENFIELD**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of **GRENEL & CO., LLC as of Dec 31, 2012**, are true and correct.

I further swear (or affirm) that neither the company nor any partner, proprietor, member, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

  
Signature  
Member  
Title

  
Notary Public 12/31/12



This report\*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 Auditors' Report.

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

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**GRENEL & CO., LLC**  
**STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2012

**GRENEL CO.,LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2012**

**ASSETS**

Due from clearing broker	\$ 123,964
Miscellaneous receivables	<u>120</u>
Total assets	<u>\$ 124,084</u>

**LIABILITIES AND MEMBERS' CAPITAL**

**Liabilities:**

Accounts payable and accrued expenses	\$ 229
Total liabilities	<u>229</u>

**Commitments and Contingencies (Note 4)**

<b>Capital (Note 5)</b>	<u>123,855</u>
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Total liabilities and capital	<u>\$ 124,084</u>
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*The accompanying notes are an integral part of this statement.*

**GRENEL & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Note 1- Nature of Business**

Grenel & Co., LLC a Limited Liability Company ("The Company") is a New Jersey company conducting business as a broker/dealer in securities.

The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule.

**Note 2- Summary of Significant Accounting Policies**

*a) Revenue Recognition*

Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis.

*b) Cash and Cash Equivalents*

For the purpose of the statement of cash flows, the Company considers demand deposited money market funds to be cash and cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

*c) Depreciation*

Depreciation of equipment is computed on the straight-line method over the estimated useful lives of the assets of five years.

*d) Income Taxes*

Income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of Company earnings for federal and state income tax purposes. The accompanying financial statements have been adjusted to provide for unincorporated business tax based upon Company income, if applicable.

*e) Use of Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

*f) Subsequent Event*

The Company has evaluated events and transactions that occurred between December 31, 2012 and January 9, 2013, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**GRENEL & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Note 3 - Fair Value Measurements**

The Company carries its investments at fair value. ASC 820, *Fair Value Measurements and Disclosure*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Fair values derived from unadjusted quoted prices of identical assets in active markets.

Level 2 - Fair values derived from quoted prices of similar assets in active markets, quoted prices for identical or similar assets in markets that are not active and model driven valuations in which all significant inputs are observable in active markets.

Level 3 - Fair values derived from inputs which are not observable in markets.

**Note 4 - Financial Instruments with Off-Balance Sheet Credit Risk**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company’s transactions are collateralized and are executed with and on behalf of banks, brokers and dealers and other financial institutions. The Company introduces these transactions for clearance to another broker/dealer on a fully disclosed basis. The Company’s exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers’ ability to satisfy their obligations to the Company and the Company’s ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers.

The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing brokers internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions when necessary.

**GRENEL & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**Note 5 - Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission's Net Capital 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 1500%. At December 31, 2012, the Company's net capital of \$123,735 was \$23,735 in excess of its required net capital of \$100,000. The Company's capital ratio was 0.18%.

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A copy of the Company's Statement of Financial Condition as of December 31, 2012, pursuant to SEC Rule 17a-5 is available for examination at the Company's office and at the regional office of the Securities and Exchange Commission and the office of Financial Industry Regulatory Authority.



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074  
E-mail: LS@lernerstipkin.com

INDEPENDENT AUDITORS' REPORT

To the Stockholders of  
Grenel & Co., LLC  
31-33 Crestwood Drive  
West Orange, NJ 07052

**Report on the Financial Statements**

We have audited the accompanying statement of financial condition of Grenel & Co., LLC, (the Company) as of December 31, 2012.

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

Management is responsible for the preparation and fair presentation of the statement of financial condition 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 the statement of financial condition that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the statement of financial condition 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 statement of financial condition is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of financial condition, 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 statement of financial condition 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 statement of financial condition.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Grenel & Co., LLC, as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

*Lerner & Sipkin CPAs LLP*  
Lerner & Sipkin, CPAs, LLP  
Certified Public Accountants (NY)

New York, NY  
January 9, 2013