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

SEC FILE NUMBER
8-34176

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: EJ Sterling, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

39 Broadway, Suite 1910

(No. and Street)

New York, NY 10006

(City)

(State)

(Zip Code)

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

Jack Lubitz

(516) 994-0743

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ISRAELOFF, TRATTNER, & CO. P.C.

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

1225 FRANKLIN AVENUE, SUITE 200, GARDEN CITY, NY 11530

(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)

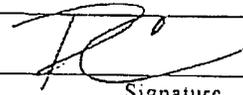
SEC 1410 (06-02)

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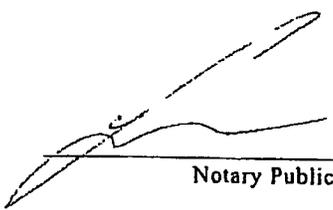
OATH OR AFFIRMATION

I, Robert Costomiris, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EJ Sterling, Inc., 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:



Signature

CEO
Title



Notary Public

TOURAY A. JHAE MORRISON
Notary Public, State of New York
Qualified in Queens County
No. 01MO6255364
My Commission Expires 02-06-2016

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).

EJ STERLING, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Condition	3
Statement of Operations	4
Statement of Changes in Shareholder's Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7-10
SUPPLEMENTARY INFORMATION	
Computation of Net Capital Pursuant to Rule 15c3-1	11
Computation of Basic Net Capital Requirement	11
Possession or Control Requirements Under Rule 15c3-3	12
Reconciliation Pursuant to Rule 17a-5(d)(4)	13
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL	14-15
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO THE EJ STERLING, INC.'S SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) GENERAL ASSESSMENT RECONCILIATION	16-17
GENERAL ASSESSMENT RECONCILIATION (FORM SIPC-7) TO THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) FOR THE YEAR ENDED DECEMBER 31, 2012	18-19



Israeloff, Trattner & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • FINANCIAL CONSULTANTS

1225 Franklin Avenue, Garden City, NY 11530 (516) 240-3300 Fax (516) 240-3310 www.israeloff.com

Other Office
New York, NY

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
EJ Sterling, Inc.

We have audited the accompanying statement of financial condition of EJ Sterling, Inc. (the Company), as of December 31, 2012, and the related statements of income, changes in shareholder's equity, and cash flows for the year then ended that are filed pursuant to rule 17a-5 under 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 entity'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 entity'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EJ Sterling, Inc. 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 basic financial statements taken as a whole. The information contained in the additional schedules is 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 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 the additional schedules 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 the additional schedules is fairly stated in all material respects in relation to the financial statements taken as a whole.

Israeloff, Trattner & Co. P.C.

Garden City, New York
February 28, 2013

EJ STERLING, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

ASSETS

Cash and cash equivalents	\$	8,984
Accounts receivable from clearing organization		244,113
Prepaid expenses		34,077
Property and equipment at cost, less accumulated depreciation of \$1,545		<u>4,983</u>

TOTAL ASSETS \$ 292,157

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$	106,346
Commissions payable		54,224
Deferred taxes payable		<u>24,087</u>

Total Liabilities \$ 184,657

COMMITMENTS AND CONTINGENCIES

SHAREHOLDER'S EQUITY

Common stock		4,000
Additional paid-in-capital		65,561
Retained Earnings		<u>80,189</u>
		149,750

Less: Treasury Stock - at cost (152 shares of common stock) (42,250)

Total Shareholder's Equity 107,500

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY \$ 292,157

See accompanying notes to financial statements

EJ STERLING, INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Income		
Commission income		\$ 1,478,820
Other income		<u>271,307</u>
Total income		1,750,127
Expenses		
Officer's and employees' compensation and benefits	\$ 1,312,044	
General and administrative expenses	163,736	
Depreciation expense	1,545	
Rent and occupancy	68,400	
Clearing and execution	91,883	
Licenses and registration	47,157	
Total expenses	<u>1,684,765</u>	
Net income before provision for income taxes		65,362
Provision for income taxes		<u>24,087</u>
Net income		<u>\$ 41,275</u>

See accompanying notes to financial statements

EJ STERLING, INC.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Total Shareholder's Equity
	Shares	Amount			Shares	Amount	
Balance - January 1, 2012	225	\$ 4,000	\$ 65,561	\$ 38,914	152	\$ (42,250)	\$ 66,225
Net income	-	-	-	41,275	-	-	41,275
Balance - December 31, 2012	<u>225</u>	<u>\$ 4,000</u>	<u>\$ 65,561</u>	<u>\$ 80,189</u>	<u>152</u>	<u>\$ (42,250)</u>	<u>\$ 107,500</u>

See accompanying notes to financial statements

EJ STERLING, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		\$ 41,275
Adjustments to reconcile net income to net cash provided by operating activities		
Deferred taxes payable	\$ 24,087	
Depreciation expense	1,545	
Changes in assets and liabilities:		
Accounts receivable from clearing organization	(109,616)	
Prepaid expenses	(19,624)	
Security deposit	5,700	
Accounts payable and accrued expenses	103,530	
Commisson payable	<u>(39,290)</u>	
Total adjustments		<u>(33,668)</u>
Net Cash Provided by Operating Activities		7,607
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment		<u>(6,528)</u>
Net Cash Used by Investing Activities		<u>(6,528)</u>
NET INCREASE IN CASH		1,079
CASH AND CASH EQUIVALENTS - BEGINNING		<u>7,905</u>
CASH AND CASH EQUIVALENTS - END		<u>\$ 8,984</u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

1. DESCRIPTION OF BUSINESS

EJ Sterling, Inc. (the "Company") is a broker dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Regulatory Authority ("FINRA") engaged primarily in the execution of stock transactions for customers. The Company is a non-clearing broker and does not handle any customer funds or securities. The Company has an office in New York, New York and derives revenue mainly in the form of commissions from the sale of stocks traded on various stock exchanges.

The Company is incorporated in the state of Indiana. The Company is a wholly-owned subsidiary of JPED Holdings, LLC. The Company is registered to do business in the state of New York and began operations as a broker-dealer on December 1, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Company records securities transactions and related revenue and expenses on a trade-date basis.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

CASH AND CASH EQUIVALENTS

The Company considers cash and all highly liquid instruments with original maturities of three months or less, that are not held for sale in the ordinary course of business, to be cash equivalents for cash flow statement purposes. The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and trade accounts receivables and payables for which carrying values approximate fair values due to the short maturities of those instruments.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE FROM CLEARING ORGANIZATION

The Company maintains a brokerage account with a clearing organization through which all trading transactions are cleared. The receivable and certain cash deposits owned are with the same organization. The Company is subject to credit risk if the organization is unable to repay the receivable or return cash deposits in its custody.

INCOME TAXES

The Company follows the provisions of the FASB Accounting Standards Codification, as revised, on Uncertainty in Income Taxes. The guidance imposes a threshold for determining when an income tax benefit can be recognized for financial statement purposes. The threshold now imposed for financial statement reporting generally is higher than the threshold imposed for claiming deductions in income tax returns. Under the revised guidance, the tax benefit from an uncertain tax position can be recognized for financial statement purposes only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities including the resolution of appeals or litigation processes, if any. The revised rules also provide guidance on classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. Management believes there were no material uncertain tax positions at either January 1, 2012 or December 31, 2012.

The Company files U.S. federal income tax returns and state income tax returns in New York and Indiana. Returns filed in these jurisdictions for tax years ended on or after December 31, 2009 are subject to examination by the relevant taxing authorities.

OFF-BALANCE SHEET RISK

In the normal course of business, the Company's customer and correspondent clearance 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 clearing agent is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. As of December 31, 2012, the Company was not exposed to such risk.

CONCENTRATION OF CREDIT RISK

The Company is engaged in various trading and brokerage activities whose counterparties primarily include broker-dealers, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business. As of December 31, 2012, the Company was not exposed to such risk.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS

During 2012, the Financial Accounting Standards Board, (FASB) issued various updates to the FASB Accounting Standards Codification, including updated guidance on revenue recognition, consolidation of variable interest entities, fair value disclosures, presentation of other comprehensive income and goodwill impairment testing. These, and other updates, are either not yet effective for the Company's financial statements, or, when effective, will not or did not have a material impact on the Company's financial statements upon adoption.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 28, 2013, the date the financial statements were available for issuance.

3. ACCOUNTS RECEIVABLE FROM CLEARING ORGANIZATION

The receivables balance from the clearing organization has not historically required any write-offs for credit losses and is stated at the amount management expects to collect from outstanding balances. Based on management's evaluation of collectability, an allowance for doubtful accounts is not required. The receivable includes a deposit for - with the clearing organization required by its agreement with the Company.

4. COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Company is obligated under an operating lease for office space, which was entered into on December 1, 2011 and terminates on April 30, 2013. The terms of the lease require the Company to pay \$5,700 per month. Minimum lease payments due in 2013 are \$22,800.

Rent expense for the year ended December 31, 2012 was \$68,400.

5. NET CAPITAL REQUIREMENTS

The Company is subject to the 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 (and the rule of the "applicable" exchange also provides 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, 2012, the Company had net capital of \$68,140 which was \$55,824 in excess of its required net capital of \$12,316. The Company's aggregate indebtedness to net capital ratio was 0.73 to 1.

EJ STERLING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

7. INCOME TAXES

The Company has recorded a deferred income tax liability at December 31, 2012 for the expected future tax liabilities resulting from differences between taxable income for book and tax purposes as Company reports its taxable income and expenses on the cash basis.

Components of provision for income taxes are as follows as of December 31, 2012:

Current income tax:	
Federal	\$ -
State and local	-
	<u>-</u>
Deferred income tax	
Federal	13,072
State and local	<u>11,015</u>
	<u>24,087</u>
Provision for income taxes	\$ <u><u>24,087</u></u>

EJ STERLING, INC.

SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2012

COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1

Total ownership equity from the statement of financial condition	\$ 107,500
Less: Non-allowable assets	39,060
Haircuts on securities	<u>300</u>
Net Capital	\$ <u>68,140</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital	\$ <u>12,316</u>
Minimum dollar net capital requirement	\$ <u>5,000</u>
Excess net capital	\$ <u>55,824</u>
Net capital less greater of 10% of total aggregate indebtedness or 120% of minimum dollar net capital requirement	\$ <u>49,675</u>
Ratio: Aggregate indebtedness to net capital	<u>0.73 to 1.00</u>

EJ STERLING, INC.
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3

The Company claims exemption from the requirements of Rule 15c3-3, under Section (k) (2) (B) of the Rule.

EJ STERLING, INC.
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

RECONCILIATION PURSUANT TO RULE 17a-5(d)(4)

Total ownership equity – January 1, 2012	\$ 66,225
Net Income for the year ended December 31, 2012	<u>41,275</u>
Total ownership equity – December 31, 2012	107,500
Less: Non-allowable assets	39,060
Haircuts on securities	<u>300</u>
Audited net capital	68,140
Net capital per Focus Report Part IIA	<u>92,230</u>
Difference	\$ <u><u>24,090</u></u>

Difference is due to the audit adjustment
Relating to deferred tax liabilities.



Board of Directors
EJ Sterling, Inc.

In planning and performing our audit of the financial statements of EJ Sterling, Inc. (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 (internal control) 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 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 paragraphs 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 preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) list 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 combination of deficiencies, in internal control over financial reporting 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 of this report 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 and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Israeloff, Trattner & Co. P.C.

Garden City, New York
February 28, 2013



Israeloff, Trattner & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • FINANCIAL CONSULTANTS

1225 Franklin Avenue, Garden City, NY 11530 (516) 240-3300 Fax (516) 240-3310 www.israeloff.com

Other Office
New York, NY

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

To the Board of Directors of
EJ Sterling, Inc.

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, 2012, which were agreed to by EJ Sterling, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating EJ Sterling, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). EJ Sterling, Inc.'s management is responsible for EJ Sterling, Inc.'s 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-7 with respective cash disbursement records entries (copies of checks), 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-7 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 noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments 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.

Israeloff, Trattner & Co. P.C.

Garden City, New York
February 28, 2013

General Assessment Reconciliation

For the fiscal year ended _____, 20____
(Read carefully the instructions in your Working Copy before completing this Form)

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:

FINRA 20416569, SECT# 8-34176 DECEMBER
EJSTERLING, INC
39 BROADWAY, SUITE 1910
NEW YORK, N.Y.

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.

JACK LUBITZ 516-994-0743

- 2. A. General Assessment (item 2e from page 2) \$ 4146
- B. Less payment made with SIPC-6 filed (exclude interest) (1931)
10/17/2012
Date Paid
- C. Less prior overpayment applied ()
- D. Assessment balance due or (overpayment) 2315
- E. Interest computed on late payment (see instruction E) for 0 days at 20% per annum — 6 —
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 2315
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 2315
- H. Overpayment carried forward \$()

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

N/A

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.

EJSTERLING, INC

(Name of Corporation, Partnership or other organization)

[Signature]

(Authorized Signature)

Dated the _____ day of _____, 20____.

FINOP

(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: _____

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

Amounts for the fiscal period
beginning 01/01, 2012
and ending 12/31, 2012
Eliminate cents

Item No.

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

\$ 1750126

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.

91883

(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):

(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

91883

2d. SIPC Net Operating Revenues

\$ 1658243

2e. General Assessment @ .0025

\$ 4146

(to page 1, line 2.A.)