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Washington, D.C. 20549

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

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SEC  
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Section

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

MAR 01 2013  
Washington DC  
401

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **WYNSTON HILL CAPITAL, LLC**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**488 MADISON AVENUE**

OFFICIAL USE ONLY  
FIRM I.D. NO.

**NEW YORK** **NY** **10022**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**MARC H. STOLTZ** **516-222-9111**  
(Area Code - Telephone Number)

**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**  
(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  
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Section**

**MAR 07 2013**

**Washington DC  
401**

**WYNSTON HILL CAPITAL, LLC  
(A Limited Liability Company)**

**FINANCIAL STATEMENT**

**DECEMBER 31, 2012**

# WYNSTON HILL CAPITAL, LLC

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**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

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

**INDEPENDENT AUDITORS' REPORT**

To the Stockholders of  
Wynston Hill Capital, LLC  
488 Madison Avenue – 24<sup>th</sup> Floor  
New York, NY 10022

**Report on the Financial Statements**

We have audited the accompanying statement of financial condition of Wynston Hill Capital, 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 Wynston Hill Capital, 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  
February 12, 2013

# WYNSTON HILL CAPITAL, LLC

## STATEMENT OF FINANCIAL CONDITION

December 31, 2012

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### Assets

Cash	\$	47,728
Due from clearing firm		52,241
Prepaid expenses		18,796
Securities owned: marketable		42,825
Securities owned: not readily marketable		107,175
Due from employees		319,254
Other assets		<u>32,535</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>620,554</u></u></b>

### Liabilities and Member's Equity

#### Liabilities:

Accounts payable and accrued expenses	\$	58,078
Loan payable - member		<u>35,511</u>
		93,589

Commitments and contingencies

Member's equity		<u>526,965</u>
<b>Total liabilities and member's equity</b>	<b>\$</b>	<b><u><u>620,554</u></u></b>

# WYNSTON HILL CAPITAL, LLC

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

### 1 - **Nature of Business**

Wynston Hill Capital, LLC, a Delaware limited liability company (the "Company") is a broker/dealer in securities registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA").

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

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

#### ***Revenue recognition***

The Company recognizes revenue from placement fees upon completion of the private placement offering and advisory fees, over the life of the underlying agreement, at the time work is performed and services are rendered. Commission income and related expense are recorded on a settlement date basis. There is no material difference between settlement date and trade date.

#### ***Concentration of risk***

The Company maintains cash in bank accounts which are non-interest bearing. In 2012, non-interest bearing accounts were fully insured by the Federal Deposit Insurance Corporation ("FDIC"). As of January 1, 2013, interest bearing and non-interest bearing accounts are insured by the FDIC up to \$250,000 per financial institution. 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.

#### ***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 disclosures 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.

#### ***Income taxes***

As a wholly-owned limited liability company, the Company is not subject to Federal, state or local income taxes. All items of income, expense, gains and losses are reportable by the member for tax purposes. The Company is considered to be a disregarded entity and is thus not subject to Federal, state and local income taxes and does not file income tax returns in any jurisdiction. The Company has no unrecognized tax benefits at December 31, 2012.

# WYNSTON HILL CAPITAL, LLC

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

### 2 - **Summary of Significant Accounting Policies** *(continued)*

#### ***Uncertain tax positions***

The Company adopted the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification No. 740 ("ASC 740") Subtopic 05 "Accounting for Uncertainty in Income Taxes. As a result of the implementation, the Company was not required to recognize any amounts from uncertain tax positions.

The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the Company's tax returns for three years from the date of filing; consequently, the respective tax returns for years prior to 2009 are no longer subject to examination by tax authorities.

#### ***Valuation of investments***

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 – Are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

# WYNSTON HILL CAPITAL, LLC

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

### 3 - Commitments and Contingencies

#### *Lease*

The Company leases its premises under an amended lease expiring August 31, 2015. Rent expense for the year ended December 31, 2012 was \$18,737. As of December 31, 2012, the aggregate minimum future payments under this lease are as follows for the years ending December 31,:

2013	\$	63,780
2014		63,780
2015		42,520
	\$	<u>170,080</u>

### 4 - Clearance Agreement

The Company has entered into an agreement with another broker (clearing broker) to execute and clear, on a fully disclosed basis, customer and proprietary accounts of the Company. As part of the agreement, the clearing broker executes orders, settles contracts and transactions in securities, and engages in all cashiering functions, including the receipt, delivery, and transfer of securities purchased, sold, borrowed or loaned and the receipt and distribution of interest and principal payments. The Company is required to maintain balances of not less than \$50,000 with the clearing broker. As of December 31, 2012, the balance was \$52,241.

### 5- Securities Owned

Securities owned includes both securities that are marketable and those that are not readily marketable of \$42,825 and \$107,175, respectively. These securities were received in lieu of cash for a private placement and are currently listed on the OTC with very limited activity to date.

### 6 - Advances to Employees

Advances to employees represents advances to registered representatives (“reps”) of the Company. The reps are advanced monies on their commission, as income is earned, the amount is applied to the advances. As of December 31, 2012, the balance was \$319,254.

# WYNSTON HILL CAPITAL, LLC

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

### 7 - Loan Payable - Member

During 2012, the Company's parent made a loan to the Company in the amount of \$169,114, of which \$133,603 was repaid during the year. There are no set repayment terms or interest and amount is due on demand. As of December 31, 2012, the balance was \$35,511.

### 8 - Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital, as defined, of 6 2/3% of aggregate indebtedness or \$5,000, whichever is greater and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2012, the Company had net capital of \$31,731, which was \$25,492 in excess of its required minimum net capital of \$6,239. The Company's net capital ratio was 2.95 to 1.

### 9 - Fair Value

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
Securities owned - marketable	\$ 42,825	\$ -	\$ -	\$ 42,825
Securities owned - not readily marketable	-	107,175	-	107,175
Total fair value	\$ 42,825	\$ 107,175	\$ -	\$ 150,000

### 10 - Subsequent Events

Management of the Company has evaluated events or transactions that may have occurred since December 31, 2012 and determined that there are no material events that would require disclosures in the Company's financial statements.