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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC
Mail Processing
Section

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8-69082

Washington DC

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 10/23/2012 AND ENDING 12/31/2013
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Morgan Partners LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

275 Grove Street, Suite 2-400

(No. and Street)

Newton

(City)

MA

(State)

02466

(Zip Code)

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

Marc Maselli

(617) 410-5200

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kari Brace of Brace & Associates, PLLC

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

PMB 335, 123 Nashua Road, Unit 17 Londonderry, NH 03053

(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)

DD
31/1/14

OATH OR AFFIRMATION

I, Marc Maselli, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Morgan Partners LLC, as of December 31, 2013, 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-

Marc Maselli
Signature

Founder and Managing Director
Title

Shannon Hinkley
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.

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

MORGAN PARTNERS LLC

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2013

BRACE & ASSOCIATES, PLLC
LONDONDERRY, NH

This report is deemed CONFIDENTIAL in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934. A Statement of financial condition, bound separately, has been filed with the Securities and Exchange Commission simultaneously herewith as a public document.

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INDEPENDENT AUDITOR'S REPORT

To the Member
of Morgan Partners LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Morgan Partners LLC which comprise the statement of financial condition as of December 31, 2013, and the related statements of income, changes in member's equity, and cash flows for the period then ended that are filed 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 from 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 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 Morgan Partners LLC as of December 31, 2013 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I, II and III 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 I, II and III 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 I, II and III is fairly stated in all material respects in relation to the financial statements as a whole.

Brace & Associates, PLLC

Brace & Associates, PLLC

Londonderry, NH

February 13, 2014

BRACE & ASSOCIATES, PLLC

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Certified Public Accountant

Morgan Partners LLC
Statement of Financial Condition
December 31, 2013

Assets

Cash	\$ 1,466,264
Prepaid expenses	22,116
Other assets	4,100
	<u>1,492,480</u>
Property and equipment:	
Equipment	3,507
Accumulated depreciation	(293)
Total Property and equipment - net	<u>3,215</u>
 Total Assets	 <u>1,495,695</u>

Liabilities and Members' Equity

Accounts payable and accrued expenses	15,479
Payroll liabilities	631,979
Amount due to member	52
Total liabilities	<u>647,510</u>
 Members' equity	 <u>848,185</u>
 Total Liabilities and Members' Equity	 <u>\$ 1,495,695</u>

See accompanying notes to the financial statements

Morgan Partners LLC
Statement of Income (Loss)
October 23, 2012 to December 31, 2013

	October 23, 2012 to <u>December 31, 2013</u>
Revenues:	
Advisory Services	\$ 96,800
Retainers	232,108
Success Fees	1,864,046
Expense Reimbursements	47,415
Total Operating revenue	<u>2,240,369</u>
Expenses:	
Consulting and professional fees	39,839
Meals and entertainment	11,629
Occupancy and equipment rental	9,863
Other	6,258
Regulatory fees	4,137
Office	2,980
Travel	57,328
Depreciation	293
Communications, software and technology	42,712
Advertising and promotion	11,308
Staffing, employee compensation and benefits	719,249
Total Operating expenses	<u>905,595</u>
Net income (loss)	<u>\$ 1,334,774</u>

See accompanying notes to the financial statements

Morgan Partners LLC
Statement Of Changes In Members' Equity
October 23, 2012 to December 31, 2013

	<u>October 23, 2012 to</u> <u>December 31, 2013</u>
Beginning members' equity	\$ 72,712
Net income (loss)	1,334,774
Members' capital contributions	
Members' capital distributions	(559,301)
Members' equity @ December 31, 2013	<u>\$ 848,185</u>

See accompanying notes to the financial statements

Morgan Partners LLC
Statement Of Cash Flows
October 23, 2012 to December 31, 2013

	<u>October 23, 2012 to December 31, 2013</u>
Cash flows from operating activities:	
Net income (loss)	\$ 1,334,774
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	293
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts Receivable	1,990
Prepaid expenses	(21,540)
Increase (decrease) in:	
Accounts payable and accrued expenses	12,360
Payroll liabilities	631,979
Due to member	(113)
Net cash provided (used) by operating activities	<u>1,959,743</u>
Cash flows from investing activities:	
Purchases of property and equipment	(3,507)
Security Deposit	(4,100)
Net cash provided (used) by investing activities	<u>(7,607)</u>
Cash flows from financing activities:	
Members' contributions	-
Members' distributions	(559,301)
Net cash provided (used) by financing activities	<u>(559,301)</u>
Net increase (decrease) in cash	1,392,835
Cash, beginning	73,429
Cash, ending	<u>\$ 1,466,264</u>

See accompanying notes to the financial statements

SUPPLEMENTARY INFORMATION

Morgan Partners LLC
 Supplemental Schedule I
 Computation Of Net Capital Pursuant To
 Uniform Capital Rule 15c3-1
 December 31, 2013

Members equity	\$ 848,185	
Non-allowable assets:		
Prepaid expenses	22,116	
Other assets	4,100	
Property and equipment-net	3,215	
Net capital before haircuts	818,754	
Haircuts on securities	-	
Net capital	818,754	
Minimum capital requirements the greater of 6-2/3% aggregate indebtedness of \$647,510 or \$5,000	43,167	
Excess net capital	\$ 775,587	
Ratio of aggregate indebtedness to net capital	.79 to 1	0.79
Aggregate Indebtedness		
Accounts payable and accrued expenses	15,479	
Payroll liabilities	631,979	
Amount due to member	52	
Total aggregate indebtedness	\$ 647,510	
Reconciliation of net capital:		
Net capital as reported in Company's unaudited part IIA of the Focus Report	\$ 818,753	
Rounding	1	
Net capital per report pursuant to Rule 17a-5 (d)	\$ 818,754	

See the accompanying notes to the financial statements

SCHEDULE II

MORGAN PARTNERS LLC

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER SEC RULE 15c3-3

DECEMBER 31, 2013

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the timeframes specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

SCHEDULE III

MORGAN PARTNERS LLC

**COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

DECEMBER 31, 2013

Morgan Partners LLC is exempt from the reserve requirements of Rule 15c3-3(k)(2)(i) as its transactions are limited, such that they do not handle customer funds or securities, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 is not applicable.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL UNDER SEC RULE 17A-5(g)(1)

To the Member of Morgan Partners LLC

In planning and performing our audit of the financial statements of Morgan Partners LLC as of and for the period ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered Morgan Partners LLC's internal control over financial reporting (internal control) as a basis for designing our audit 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 Morgan Partners LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan Partners LLC'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 Morgan Partners LLC 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 Morgan Partners LLC 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 Morgan Partners LLC is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 Morgan Partners LLC's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2013, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, 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.

Brace & Associates, PLLC

Brace & Associates, PLLC

Londonderry, NH

February 13, 2014

BRACE & ASSOCIATES, PLLC

Certified Public Accountant

MORGAN PARTNERS LLC
SUPPLEMENTAL SIPC REPORT
DECEMBER 31, 2013

BRACE & ASSOCIATES, PLLC

Certified Public Accountant

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INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

Member of Morgan Partners LLC

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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2013, which were agreed to by Morgan Partners LLC, and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, solely to assist you and the other specified parties in evaluating Morgan Partners LLC's compliance with the applicable instructions of Form SIPC-7. Morgan Partners LLC's management is responsible for Morgan Partners LLC'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 noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2013, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2013, noting a difference due to the reporting period for the audit being October 23, 2012 through December 31, 2013 and the SIPC reporting period being only the calendar year;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 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; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences (if applicable).

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.

Brace & Associates PLLC

Brace & Associates, PLLC

Londonderry, NH

February 13, 2014

MORGAN PARTNERS LLC
DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT
FOR THE PERIOD ENDED DECEMBER 31, 2013

SCHEDULE OF ASSESSMENT PAYMENTS

General Assessment	\$ 3,657
Less Payments Made:	
<u>Date Paid</u>	<u>Amount</u>
<u> </u>	\$ <u> 0</u>
	<u> </u> (0)
Interest on late payment(s)	<u> </u> 13
Total Assessment Balance or Overpayment	<u>\$3,670</u>
Payment made with Form SIPC 7 on January 17, 2014	<u>\$3,670</u>

MORGAN PARTNERS LLC
DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT
FOR THE PERIOD ENDED DECEMBER 31, 2013

Total revenue	<u>\$ 1,508,342</u>
Additions:	
Various (list)	
Total additions	<u>\$ 0</u>
Deductions:	
Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, 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	0
Revenues from commodity transactions	0
Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions	0
Net gain from securities in investment accounts	0
100% of commissions and markups earned from transactions in certificates of deposit, treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date	0
Other	<u>45,735</u>
Total deductions	<u>\$ 45,735</u>
SIPC NET OPERATING REVENUES	<u>\$1,462,607</u>
GENERAL ASSESSMENT @ .0025	<u>\$ 3,657</u>