

SECURIT

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Washington, DC

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

SEC  
Mail Processing  
Section

MAR 04 2014

Washington DC  
404

SEC FILE NUMBER
8-30511

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 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Revere Securities Corp. LLC

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

12 East 52<sup>nd</sup> Street, 6<sup>th</sup> Floor

(No. and Street)  
NY

New York

(City)

(State)

10022

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

WeiserMazars LLP

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

135 West 50<sup>th</sup> Street  
(Address)

New York  
(City)

NY  
(State)

10020  
(Zip Code)

**CHECK ONE:**

- Certified Public Accountants
- 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)

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.

3/31/14

OATH OR AFFIRMATION

I William Moreno, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm Revere Securities Corp., 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:

No exceptions

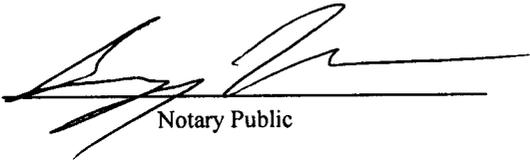
GREGORY SCOTT WILDEMAN  
Notary Public - State of New York  
NO. 01W6243656  
Qualified in New York County  
My Commission Expires 6/20/15



Signature

CEO

Title

  
Notary Public

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.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital (Under Rule 15c3-1 of the SEC and Regulation 1.17 of the CFTC).
- (h) Computation of 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 on Internal Accounting Control.

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

\*\*\*\*\*

The Company's Statement of Financial Condition as of December 31, 2013 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

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### **Independent Auditors' Report**

To the Board of Directors and Stockholders of  
Revere Securities Corp.

We have audited the accompanying statement of financial condition of Revere Securities Corp., (the "Company"), as of December 31, 2013, that is filed pursuant to rule 17a-5 under the Securities Exchange Act of 1934 and the related notes to the financial statement.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

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

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 statement referred to above presents fairly, in all material respects, the financial position of Revere Securities Corp. as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.



February 27, 2014  
New York, NY

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Section**

MAR 04 2014

**Washington DC  
404**

**Revere Securities Corp.  
Statement of Financial Condition  
December 31, 2013**

REVERE SECURITIES CORP.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2013

**Assets**

**Current assets:**

Cash and cash equivalents	\$ 14,578
Receivables from clearing broker	501,118
Other receivables	23,331
Securities, owned at fair value	272,664
Prepaid expenses and other current assets	<u>52,540</u>

Total current assets	<u>864,231</u>
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<b>Furniture and equipment, net of accumulated depreciation</b>	<u>22,204</u>
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**Other assets:**

Loans receivable	70,500
Deposit accounts with clearing brokers	390,382
Security deposits	<u>18,777</u>
Total other assets	<u>479,659</u>

<b>Total assets</b>	<b><u>\$ 1,366,094</u></b>
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**Liabilities and Stockholders' Equity**

**Liabilities:**

**Current liabilities:**

Accounts payable, accrued expenses and other liabilities	\$ 105,081
Commissions payable	179,887
Due to affiliate	<u>3,971</u>

Total liabilities	<u>288,939</u>
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**Stockholders' equity:**

Common stock	410,010
Additional paid-in-capital	1,151,304
Accumulated deficit	<u>(484,159)</u>

Total stockholders' equity	<u>1,077,155</u>
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<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 1,366,094</u></b>
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The accompanying notes are an integral part of this financial statement.

**1. Organization and Nature of Business**

Revere Securities Corp. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and an introducing broker registered with the Commodity Futures Trading Commission ("CFTC"). The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association ("NFA"). The Company is organized in Florida and has offices in New York City, Boca Raton, and Boston.

The Company executes principal and agency transactions in listed and over-the-counter securities and engages in investment advisory services throughout the United States. All customer transactions are cleared on a fully disclosed basis through independent clearing firms. The Company does not carry securities accounts for its customers nor does it provide custodial functions related to those securities and therefore has claimed exemption from the requirements of Rule 15c3-3 under Section (k)(2)(ii) of the rule.

In addition, the Company earns commissions on negotiating the sale of annuity contracts.

**2. Summary of Significant Accounting Policies**

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. The Company places its cash with high credit quality financial institutions, which at times may be in excess of the FDIC insurance limits.

REVERE SECURITIES CORP.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2013

Securities, owned

Securities are valued at fair value.

Income Recognition

The Company records security transactions, including commission revenue and expense on a trade-date basis. The Company also earns commissions from the sale of annuity products, investment banking and investment advisory services.

Furniture and Equipment

The Company depreciates furniture and equipment using the straight-line methods over the estimated useful lives of the assets. Expenditures which do not extend the useful lives of the related assets are expensed as incurred.

Income Taxes

The Company is subject to taxes imposed by the U.S. federal government and various state and local tax jurisdictions.

FASB ASC 740 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. As of December 31, 2013, management has determined that it has no uncertain tax positions that require either recognition or disclosure in the financial statements.

Due to tax regulations, the Company's income tax returns for years 2010 through 2012 are available for examination by federal, state and local income tax authorities.

**3. Loans Receivable**

The Company has advanced monies to certain employees as an incentive. These non-interest bearing loans will be forgiven and included as compensation once the employees meet the length of service requirement set for them by the Company. The balance of loans receivable at December 31, 2013 was \$70,500.

#### 4. Fair Value Measurements

FASB ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

Level 2            Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

REVERE SECURITIES CORP.  
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The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of December 31, 2013:

Assets at Fair Value as of December 31, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 272,664	\$ -	\$ -	\$ -
Total assets at fair value	\$ 272,664	\$ -	\$ -	\$ -

**5. Furniture and Equipment**

Furniture and Equipment consists of:

	Estimated Useful Life – Years	
Furniture	7	\$30,850
Equipment	5	42,023
		<u>72,873</u>
Less Accumulated Depreciation		<u>50,669</u>
		<u>\$22,204</u>

**6. Due to Affiliate**

Due to affiliate represents the balance in the intercompany account at the end of the year. During the year the Company and its affiliate share various expenses such as rent, shared employees, regulatory and compliance fees, and charge each other for their respective share of such costs (See Note 10). At December 31, 2013, the Company owed its affiliate \$3,971.

**7. Common Stock**

The Company is authorized to issue common shares. On December 31, 2013, the Company issued 11.50 Class A shares to a current employee. On November 15, 2013, two affiliates purchased a total of 354 Class A shares from Revere Capital Advisors, LLC and each exchanged 50% of those shares for 177 Class C shares. Also, a shareholder exchanged 15 Class D shares for 15 Class C shares.

REVERE SECURITIES CORP.  
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As of December 31, 2013, there are four classes of stock as follows:

Class	Par Value	Number of Shares		
		Authorized	Issued	Outstanding
A	.01	10,000	643	643
B	No par value	500	117.50	117.50
C	.01	500	380	380
D	1,000.00	500	410	410

Class A shares carry the right to vote on any matter and participate in all dividend payments, exclusive of any other class of shares, until each holder of Class A shares has received a dividend equal to the amount of his or her initial capital contribution to the Company.

Class B shares carry the right to vote on any matter but may not be transferred unless agreed to pursuant to the terms of a stockholder's agreement. Holders of Class B shares are entitled to share in dividend payments on equal footing with Class A and Class C shares but only after distribution or liquidation preference payments are made to holders of Class A and Class C shares.

Class C shares carry the right to vote on any matter and participate in all dividend payments, after the Class A shares have received a dividend equal to the amount initially contributed to the Company, until each holder of Class C shares has received a dividend equal to the amount of his or her initial capital contribution to the Company.

Class D shares have no right to vote on any matter, may not be transferred, and do not share in regular dividend payments. Class D shareholders do participate in a preferred quarterly dividend equal to 10% of the par value of the shares. The Class D shares are redeemable after November 30, 2014, at a redemption price equal to the fair value plus accrued dividends. Holders of Class D shares are entitled to participate in a distribution payment with other stockholders only upon a sale of either all of the issued and outstanding shares of the Company or all or substantially all of the assets of the Company.

**8. Employee Benefit Plan**

The Company maintains a 401(k) deferred compensation plan covering all eligible employees who elect to participate in the plan. Participating employees contribute a percentage of their compensation, as defined, into the plan, which is limited to an amount allowable under the Internal Revenue Code. The Company, at its discretion, may also make matching contributions, and discretionary profit sharing contributions. The Company made no matching or discretionary profit sharing contributions for the plan year ended December 31, 2013.

**9. Income Taxes**

Income taxes are limited as the Company has net operating losses to offset the current year's taxable income. As of December 31, 2013 the Company has federal net operating losses of approximately \$66,000, state net operating losses of approximately \$42,000, and local net operating losses of approximately \$21,000, all expiring through 2029. All of these carryforwards will be limited to approximately \$14,000 per year due to a change in the majority ownership of the Company during 2009. If the annual limitation is not used in the current year, it is accumulated and available for future years.

The major sources of temporary differences and their deferred income tax effects as of December 31, 2013 are as follows:

Deferred Tax Assets	
Net Operating Loss Carryforward	\$23,200
	<u>\$23,200</u>
Less Valuation allowance	\$(23,200)
Net deferred tax asset	<u>\$ -</u>

At December 31, 2013, a full valuation allowance has been recorded, because on January 1, 2014, the company converted from a C-Corp to a Limited Liability Company and changed its name to Revere Securities LLC. As a result, the net operating loss carryforward will not be available for use in the near term, and accordingly, the deferred tax asset has been fully reserved.

**10. Related Parties**

The Company subleases office space in New York City from an affiliate company on a monthly basis for \$14,000. The effective date of the agreement is January 1, 2010. Rent expense for this office totaled \$168,000 for the year ended December 31, 2013.

The Company self-insures itself and its affiliate for errors and omissions. During 2013, the Company charged approximately \$26,000 in premiums to the affiliate.

The affiliate provides advisory services to the Company for which the Company is charged an agreed-upon fee. For the year ended December 31, 2013, the Company paid \$160,000 to the affiliate for these services.

In addition, the Company pays commissions and fees to the affiliate company where both are involved in fee splitting arrangements. During the year, such commission paid to the affiliate totaled approximately \$57,000.

**11. Commitment and Contingencies**

Operating Lease

The Company is obligated under an operating lease for office space in Boca Raton which expires on November 30, 2015. The Company is also obligated under an operating lease for office space in Riverhead, NY, which expires on June 30, 2014. A lease was signed for the Boston office, effective January 1, 2014, which expires on June 30, 2015.

Future minimum lease payments at December 31, 2013 are as follows:

Year Ending December 31,	Minimum Lease Payment
2014	\$155,266
2015	\$110,194
Total	<u>\$265,460</u>

The total rent for the year includes \$168,000 paid to a related party.

Other Matters

On October 25, 2012, Quest Partners, LLC ("Quest") filed a complaint in New York Supreme Court, New York County, against the Company and Revere Capital Advisors, LLC, its affiliate, alleging breach of contract and other causes of action. The complaint alleges that Revere Capital Advisors failed to provide sales, marketing, and distribution services to Quest as required by the contract. Revere Capital Advisors will fully indemnify the Company for any awarded claims against the Company. The ultimate resolution of these matters is unknown.

**12. Net Capital Requirement**

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.

The Company is also required to compute its net capital pursuant to regulation 1.17 of the Commodity Future Trading Commission.

REVERE SECURITIES CORP.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2013

As of December 31, 2013, the Company had net capital of \$832,227, which was \$732,227 in excess of its minimum net capital of \$100,000 under both computations.

In addition, the Company's aggregate indebtedness to net capital ratio was .35 to 1.

**13. Financial Instruments with Off-Balance-Sheet Risk and Concentration of Credit Risk**

The Company's transactions are cleared by three other broker-dealers in securities pursuant to clearance agreements. Although the Company clears its transactions through other broker-dealers in securities, the Company is exposed to off-balance-sheet risk in the event that customers or other parties fail to satisfy their obligations. Should a customer fail to deliver cash or securities as agreed, the Company may be required to purchase or sell securities at unfavorable market prices. At December 31, 2013, substantially all the amounts due from brokers reflected in the statement of financial condition are positions held at and amounts due from two clearing brokers. The Company is subject to credit risk should these brokers be unable to fulfill their obligations.