

7/18/14



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

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

SEC FILE NUMBER
8-68174

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 01/01/2013 AND ENDING 12/31/2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Stratstone Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

401 East Las Olas Boulevard, Suite 800  
(No. and Street)

Ft. Lauderdale Florida 33301  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Amerisa Komblum (954) 940-4960  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

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

450 East Las Olas Boulevard, Suite 950 Fort Lauderdale Florida 33301  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

SECURITIES AND EXCHANGE COMMISSION  
**RECEIVED**  
JUL -9 2014  
DIVISION OF TRADING & MARKETS

FOR OFFICIAL USE ONLY

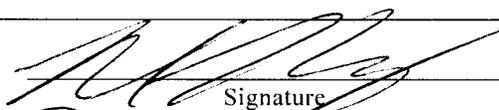
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

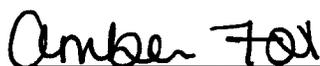
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## OATH OR AFFIRMATION

I, Paul Humphrey, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stratstone Securities, 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.

NOTARY PUBLIC-STATE OF FLORIDA  
Amber Fox  
Commission #DD974202  
Expires: MAR. 23, 2014  
BONDED THRU ATLANTIC BONDING CO., INC.

  
Signature  
Paul Humphrey  
President

  
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).

# STRATSTONE SECURITIES, LLC

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**INDEPENDENT AUDITORS' REPORT**

To the Member of  
**Stratstone Securities, LLC**

*Report on the Financial Statements*

We have audited the accompanying financial statements of Stratstone Securities, LLC (the "Company"), which comprise the statement of financial condition as of December 31, 2013, and the related statements of operations, member's equity, and cash flows for the year 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.

*Auditors' 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 auditors' 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 Stratstone Securities, LLC as of December 31, 2013, 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 financial statements as a whole. The supplementary 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.

*Marcum LLP*

Fort Lauderdale, FL  
February 28, 2014

**STRATSTONE SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2013**

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<b>Assets</b>		
Cash	\$	<u>397,301</u>
<b>Total Assets</b>		<u>\$ 397,301</u>
<b>Liabilities and Member's Equity</b>		
<b>Current Liabilities</b>		
Due to affiliate	\$	<u>2,606</u>
<b>Total Current Liabilities</b>		\$ 2,606
<b>Member's Equity</b>		<u>394,695</u>
<b>Total Liabilities and Member's Equity</b>		<u>\$ 397,301</u>

*The accompanying notes are an integral part of these financial statements.*

**STRATSTONE SECURITIES, LLC**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

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<b>Revenues</b>		\$	--
<b>Expenses</b>			
Selling, general and administrative	\$	81,496	
Compensation and benefits		63,990	
Professional services		<u>10,300</u>	
<b>Total Expenses</b>			<u>155,786</u>
<b>Net Loss</b>		\$	<u>(155,786)</u>

*The accompanying notes are an integral part of these financial statements.*

**STRATSTONE SECURITIES, LLC**

**STATEMENT OF MEMBER'S EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

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<b>Balance - January 1, 2013</b>	\$ 550,481
Net loss	<u>(155,786)</u>
<b>Balance - December 31, 2013</b>	<u>\$ 394,695</u>

*The accompanying notes are an integral part of these financial statements.*

# STRATSTONE SECURITIES, LLC

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

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<b>Cash Flows from Operating Activities</b>	
Net loss	\$ (155,786)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating liabilities:	
Decrease in accounts payable	<u>\$ (1,590)</u>
<b>Total Adjustments</b>	<u>(1,590)</u>
<b>Net Cash Used in Operating Activities</b>	(157,376)
<b>Cash Flows from Financing Activities</b>	
Decrease in due to affiliate	<u>(2,111)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(2,111)</u>
<b>Net Decrease in Cash</b>	(159,487)
<b>Cash - Beginning</b>	<u>556,788</u>
<b>Cash - Ending</b>	<u>\$ 397,301</u>

*The accompanying notes are an integral part of these financial statements.*

# STRATSTONE SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

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### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

#### *ORGANIZATION AND NATURE OF BUSINESS*

Stratstone Securities, LLC (the Company) was incorporated in May 2009 and is wholly owned by Stratstone Financial, LLC, which is a wholly-owned subsidiary of BFC Financial Corporation. The Company is a broker-dealer which became registered with the Securities and Exchange Commission (SEC) and also became a member of the Financial Industry Regulatory Authority, Inc. (FINRA) on June 7, 2010. The Company intends to pursue clients to perform advisory services related to mergers and acquisitions, restructuring and capital raising transactions. As of December 31, 2013, the Company has not commenced pursuing these opportunities for these services. The Company is subject to regulatory oversight and periodic audit by the SEC and FINRA.

The Company does not hold customer funds or securities or owe money or securities to customers.

#### *REVENUE RECOGNITION*

Revenue is recorded when services have been performed. The Company may enter into agreements as a dealer manager and accordingly may earn fees or commission for such services. During 2013, the Company did not perform any of these services.

#### *CASH EQUIVALENTS*

The Company considers all highly liquid investments with maturities of three months or less to be 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 amounts reported in the financial statements and accompanying notes. 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*

##### *Cash*

As of December 31, 2013, the Company maintains its cash balances with one financial institution which, at times, may exceed federally insured limits. The Company has cash deposits in excess of the maximum amounts insured by FDIC at December 31, 2013.

# STRATSTONE SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

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### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *SUBSEQUENT EVENTS*

The Company has evaluated subsequent events through the date the financial statements are issued.

### NOTE 2 - NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission ("SEC") Uniform Net Capital Rule (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. At December 31, 2013, the Company had net capital of \$394,695 which was \$389,695 in excess of its required net capital of \$5,000.

### NOTE 3 - INCOME TAXES

The Company is a limited liability company and has elected to be treated as a partnership under the Internal Revenue Code. In lieu of corporate income taxes, the member is responsible for the tax liability, or loss carryforward, related to their proportionate share of the Company's taxable income and losses. Accordingly, no provision for federal and state income taxes is reflected in the accompanying financial statements. The Company has concluded that it is a pass-through entity and there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis 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 including the current year which remains subject to examination as of December 31, 2013.

### NOTE 4 - RELATED PARTY TRANSACTIONS

#### *EXPENSE-SHARING AGREEMENT*

The Company has a written expense-sharing agreement with BFC Financial Corporation.

# STRATSTONE SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2013

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#### NOTE 4 - RELATED PARTY TRANSACTIONS (CONTINUED)

##### *EXPENSE-SHARING AGREEMENT (CONTINUED)*

The agreement stipulates which entity is responsible for payment of certain expenses incurred for the benefit of Stratstone Securities, LLC as a FINRA-registered broker-dealer. As outlined in the agreement, expenses that are regulatory in nature will be paid by Stratstone Securities, LLC. Expenses that are non-regulatory in nature shall be paid by BFC Financial Corporation, with a certain percentage to be allocated to Stratstone Securities, LLC for reimbursement. Non-regulatory expenses include administrative, clerical, accounting, other support staff and certain overhead costs that are not directly related to the operations of the broker-dealer. There were no expenses allocated to the Company for the year ended December 31, 2013.

##### *LEASES WITH RELATED PARTIES*

The Company leases its office space from BFC Financial Corporation. The lease provides for monthly payments of approximately \$3,200, expires in April 2014, and contains a renewal option for additional periods of one year as of December 31, 2013. At December 31, 2013, the Company owed \$2,606 to BFC Financial Corporation. Rent expense incurred for 2013 was \$38,288.

**STRATSTONE SECURITIES, LLC**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**STRATSTONE SECURITIES, LLC**

**SCHEDULE I**

**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1 OF  
THE SECURITIES AND EXCHANGE COMMISSION**

**DECEMBER 31, 2013**

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<b>Member's Equity</b>	\$ 394,695
Less: Non Allowable Assets	<u>          --</u>
<b>Net Capital</b>	394,695
Net Capital Required	<u>          5,000</u>
<b>Excess Net Capital</b>	<u><u>      \$ 389,695</u></u>
<b>Aggregate Indebtedness</b>	<u><u>      \$ 2,606</u></u>
<b>Ratio: Aggregate Indebtedness to Net Capital</b>	<u><u>          0.01</u></u>

There is no material difference between the Company's computation as included in Part IIA of Form X-17a-5(a) for December 31, 2013 and the above calculation.

*See independent auditors' report.*

**STRATSTONE SECURITIES, LLC**

**SCHEDULE II**

**COMPUTATION FOR DETERMINATION OF RESERVE  
REQUIREMENTS UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION**

**DECEMBER 31, 2013**

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

*See independent auditors' report.*

**STRATSTONE SECURITIES, LLC**

**SCHEDULE III**

**INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION**

**DECEMBER 31, 2013**

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

*See independent auditors' report.*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY  
SEC RULE 17A-5(G)(1) FOR A BROKER-DEALER CLAIMING AN EXEMPTION  
FROM SEC RULE 15C3-3**

To the Member of  
**Stratstone Securities, LLC**

In planning and performing our audit of the financial statements of Stratstone Securities, LLC (the Company), as of and for the year ended December 31, 2013, 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 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 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 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, 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, the Financial Industry Regulatory Authority 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.

*Marcum LLP*

Fort Lauderdale, FL  
February 28, 2014