



14047070

CW

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

**OMB APPROVAL**  
OMB NUMBER: 3235-0123  
Expires: January 31, 2007  
Estimated average burden  
hours per response....12.00

**SEC FILE NUMBER**  
**8- 65466**

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 January 1, 2013 AND ENDING December 31, 2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Deson & Co.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**OFFICIAL USE ONLY**  
122129  
FIRM I.D. NO.

c/o Sean Deson 945 Encorvado Street  
(City) (No. and Street) (Zip Code)  
Las Vegas NV 89138  
(City) (State)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Sean Deson 917-971-6114  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Wilson Markle Stuckey Hardesty & Bott  
(Name - if individual, state last, first, middle name)

101 Larkspur Landing Circle, Ste. 200 Larkspur CA 94939  
(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)

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.

3/14/14

**OATH OR AFFIRMATION**

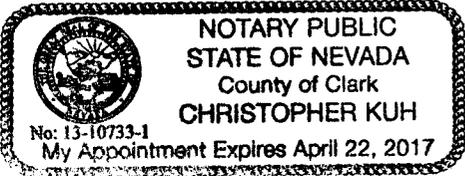
I, Sean Deson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Deson & Co., as of December 31, 2013, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
President  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
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).

**Deson & Co.**  
Financial Statements  
and Supplemental Information  
Years ended December 31, 2013 and 2012  
with  
Report of Independent Auditors

## Contents

	<u>Page</u>
<b>Financial Statements</b>	
Report of Independent Auditors	1
Statements of Financial Condition	2
Statements of Operations	3
Statements of Stockholder's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-8
<b>Supplemental Information</b>	
Statement of Changes in Liabilities Subordinated to Claims of General Creditors	9
Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission and Statement Pursuant to Rule 17a-5(d) (4)	10
Reconciliation Pursuant to Rule 17a-5(d) (4) of the Securities Exchange Act of 1934	11
Computation for Determination of Reserve Requirements	12
Information Relating to Possession or Control Requirements	12
Report of Independent Auditors on Internal Accounting Control	13-15

Report of Independent Auditors

Board of Directors  
Deson & Co.

We have audited the accompanying financial statements of Deson & Co., which comprise the statements of financial condition as of December 31, 2013 and 2012, and the related statements of operations, stockholder's equity cash flows for the years then ended, 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 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 Deson & Co. of December 31, 2013 and 2012, and the result of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audit was primarily for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the same auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements, taken as a whole.

*Wilson Markle Stuckey Hardesty & Bott*  
Wilson Markle Stuckey Hardesty & Bott  
February 4, 2014

**Deson & Co.**  
**Statements of Financial Condition**  
**December 31, 2013 and 2012**

Assets	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 54,109	\$ 161,022
Prepaid expenses	<u>-</u>	<u>-</u>
Total current assets	54,109	161,022
Furniture and equipment, at cost	20,522	20,522
Less accumulated depreciation	<u>(20,522)</u>	<u>(20,522)</u>
Net furniture and equipment	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 54,109</u></u>	<u><u>\$ 161,022</u></u>
Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 5,202</u>	<u>\$ 1,843</u>
Total current liabilities	5,202	1,843
Stockholder's equity		
Common stock	2,500	2,500
Retained earnings	<u>46,407</u>	<u>156,679</u>
Total stockholder's equity	<u>48,907</u>	<u>159,179</u>
Total liabilities and stockholder's equity	<u><u>\$ 54,109</u></u>	<u><u>\$ 161,022</u></u>

See accompanying notes

**Deson & Co.**  
**Statements of Operations**  
**Years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Revenues		
Commissions and fees	\$ 200,246	\$ 571,075
Reimbursed expenses	<u>1,560</u>	<u>5,284</u>
Total revenues	201,806	576,359
Expenses		
Regulatory fees and taxes	4,275	4,301
Vehicle and travel expenses	16,062	14,488
Professional fees	96,533	352,148
Data services, communications and other charges	5,559	3,764
Compensation and benefits	77,620	4,694
Rent, office and other expenses	<u>95,029</u>	<u>113,405</u>
Total expenses	<u>295,078</u>	<u>492,800</u>
Net income (loss)	<u>\$ (93,272)</u>	<u>\$ 83,559</u>

See accompanying notes

**Deson & Co.**  
**Statements of Stockholder's Equity**  
**Years ended December 31, 2013 and 2012**

	<u>Common stock</u>	<u>Retained earnings</u>	<u>Total stockholder's equity</u>
Balances, December 31, 2011	\$ 2,500	\$ 118,120	\$ 120,620
Distributions to stockholder	-	(45,000)	(45,000)
Net income	<u>-</u>	<u>83,559</u>	<u>83,559</u>
Balances, December 31, 2012	2,500	156,679	159,179
Distributions to stockholder	-	(17,000)	(17,000)
Net loss	<u>-</u>	<u>(93,272)</u>	<u>(93,272)</u>
Balances, December 31, 2012	<u>\$ 2,500</u>	<u>\$ 46,407</u>	<u>\$ 48,907</u>

See accompanying notes

**Deson & Co.**  
**Statements of Cash Flows**  
**Years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Net income (loss)	\$ (93,272)	\$ 83,559
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Decrease in prepaids	-	75
Increase in accounts payable	3,359	163
	(89,913)	83,797
Cash flows from financing activities		
Distributions to stockholder	(17,000)	(45,000)
	(17,000)	(45,000)
Net increase (decrease) in cash and cash equivalents	(106,913)	38,797
Cash and cash equivalents, beginning of year	161,022	122,225
	161,022	122,225
Cash and cash equivalents, end of year	\$ 54,109	\$ 161,022

See accompanying notes

**Deson & Co.**  
Notes to Financial Statements  
December 31, 2013

Note 1 - Description of operations and significant accounting policies

Deson & Co (the Company) was incorporated in New York on January 11, 1999. In 2004 the Company became a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is currently a member of the Financial Industry Regulation Authority ("FINRA").

The Company's activities consist principally of its role as an intermediary and advisor in merger and acquisition transactions. Accordingly, the Company claims exemption from Securities Exchange Commission Rule 15c3-3 because it does not carry customer funds or handle customer securities.

Basis of accounting

The Company maintains its books on the accrual basis of accounting.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all temporary investments to be cash or cash equivalents. The Company maintains its cash balances in a large financial institution located in New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Estimated Fair Value of Financial Instruments

Accounting principles generally accepted in the United States require the disclosure of the fair value of financial instruments, including assets and liabilities recognized on the statement of financial condition. Management estimates that the aggregate net fair value of financial instruments recognized on the statement of financial condition (including receivables, payables and accrued expenses) approximates their carrying values; as such financial instruments are short-term in nature or bear interest at current market rates.

Allowance for uncollectible accounts receivable

The Company uses the allowance method to account for uncollectible accounts receivable. Under this method, the Company reviews all receivables for any problems with collectability. If the Company feels that there may be a problem with collections, an allowance is provided for the receivable. When attempts to collect a specific receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance.

**Deson & Co.**  
Notes to Financial Statements  
December 31, 2013

Note 1 - Description of operations and significant accounting policies (continued)

Property and equipment

Property and equipment are recorded at cost. Depreciation is computed using the accelerated methods, including bonus first year amounts, over an estimated useful life of five years. The Company generally capitalizes additions of \$1,000 or more.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under these provisions, the Company is not subject to federal taxes on income. Instead, the stockholder includes his respective share of the Company's taxable income in his individual income tax return.

The Company has adopted accounting principles generally accepted in the United States relating to the accounting for uncertainty in income taxes. Adoption of the provisions did not have a material impact on the Company's liability for unrecognized tax benefits. Management believes that the Company has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Tax years 2010 to 2013 are open for examination by the Internal Revenue Service.

Use of estimates

The preparation of financial statements in conformity with accounting principle generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent 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.

Note 2 - Transactions with affiliated companies

The Company utilizes services and business facilities in common with other companies owned or managed by its stockholder. The Company pays for its estimated share of common costs.

**Deson & Co.**  
Notes to Financial Statements  
December 31, 2013

**Note 3 - Net capital requirement**

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the SEC (the "Rule"). The Rule requires the maintenance of minimum net capital, as defined under the Rule, equivalent to the greater of \$5,000 or 6.67% of aggregate indebtedness, as defined under the Rule.

At December 31, 2013, the Company had net capital, as defined under the Rule, of \$48,907, which exceeded the minimum requirement of \$5,000 by \$43,907. The Company's aggregate indebtedness, as defined under the Rule, was \$5,202.

**Note 4 - Subsequent events**

The Company evaluated subsequent events for recognition and disclosure through February 4, 2014, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2013 that required recognition or disclosure in such financial statements.

**Supplemental Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934**

**Deson & Co.**

Statement of Changes in Liabilities Subordinated to Claims of General Creditors  
Year ended December 31, 2013

Balance, December 31, 2012	\$ -
Increases (decreases)	<u>-</u>
Balance, December 31, 2013	<u><u>\$ -</u></u>

**Deson & Co.**  
 Computation of Net Capital under Rule 15c3-1 of the  
 Securities and Exchange Commission  
 December 31, 2013

Net Capital

Total stockholder's equity	\$ 48,907
Adjustments to net capital pursuant to Rule 15c3-1:	
Non-allowable assets	
Accounts receivable	-
Prepaid expenses	-
Furniture and equipment	-

Net capital \$ 48,907

Total Aggregate Indebtedness

Total aggregate indebtedness \$ 5,202

Computation of Basic Net Capital Requirement

Minimum net capital required  
 (6.67% of total aggregate indebtedness) \$ 347

Minimum dollar net capital requirement of reporting broker-dealer \$ 5,000

Net capital requirement \$ 5,000

Excess net capital \$ 43,907

Percentage of aggregate indebtedness to net capital 10.64%

**Deson & Co.**  
Reconciliation Pursuant to Rule 17a-5(d) (4) of the Securities Exchange  
Act of 1934  
December 31, 2013

Statement pursuant to paragraph (d)4 of Rule 17a-5 at December 31, 2013

There is a \$5,000 difference between this net capital computation pursuant to Rule 15c3-1 and the corresponding computation included in the Company's unaudited Part IIA FOCUS Report filing which reconciles, as follows:

Net capital reported on the Company's unaudited Part IIA FOCUS Report	\$43,907
Amount incorrectly excluded on Part IIA FOCUS Report	<u>5,000</u>
Net capital as reported herein	<u><u>\$48,907</u></u>

**Deson & Co.**  
Computation for Determination of Reserve Requirements  
Pursuant to Rule 15c3-3 of the Securities and Exchange Commission  
December 31, 2013

The Company is exempt from the provisions of Rule 15c3-3 under the Securities and Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of Rule 15c3-3.

---

**Deson & Co.**  
Information Relating to Possession or Control Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
December 31, 2013

A supplementary report pursuant to Rule 17a- 5(d)(4) and the information relating to possession or control requirement under Rule 15c3-3 are not required under Rule 17a-5(e)(1)(i)(A) and Rule 15c3-3(k), respectively.

**Report of Independent Auditors on Internal Accounting Control  
Required by SEC Rule 17a-5**

**The Board of Directors and Stockholder  
Deson & Co.**

In planning and performing our audit of the financial statements of Deson & Co. (the Company) as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States, we considered the internal control over financial reporting (internal control) of the Company as a basis for designing our audit procedures to express our opinion on the financial statements, but not to express an opinion on the effectiveness of the internal control of the Company. Accordingly, we do not express an opinion on the effectiveness of the internal control of the Company.

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 includes tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. 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(e).

Because the Company does not carry security 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, comparisons and the recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of 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 second paragraph. In fulfilling this responsibility, management makes estimates and judgments required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the second paragraph, and to assess whether those practices and procedures can be expected to achieve the above-mentioned objectives of the SEC. Two of the objectives of internal control and 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 the authorization of management and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the second paragraph.

Because of inherent limitations in internal control and the practices and procedures in the second paragraph, error or fraud may occur and they may not detect the error or fraud. In addition, 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability of the Company to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States such that there is more than a remote likelihood that the internal control of the Company will not prevent or detect a misstatement of the financial statements of the Company that is more than inconsequential.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the internal control of the Company will not prevent or detect a material misstatement of the financial statements.

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. However, we did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph 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 our study, we believe that the practices and procedures of the Company, as described in the second paragraph, were adequate, as of December 31, 2013, to meet the objectives of the SEC.

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

*Wilson Markle Stuckey Hardesty & Bott*  
Wilson Markle Stuckey Hardesty & Bott  
February 4, 2014