

10/3/18

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

FEB 28 2014  
Washington DC  
404

SEC FILE NUMBER
8-68293

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: Dunn Rush & Co., LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
225 Franklin Street, 26th Floor  
(No. and Street)

Boston MA 02110  
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Kevin Dunn (617) 451-0001  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Samet & Company, PC  
(Name - if individual, state last, first, middle name)

1330 Boylston Street Chestnut Hill MA 02467  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

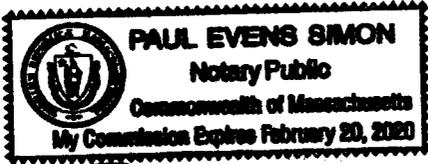
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Kevin Dunn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dunn Rush & Co., LLC, as of December 31, 20 13, 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:

*Suffolk County*



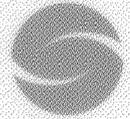
*Paul Simon* 2/27/2014  
Notary Public

*Kevin J. Dunn*  
Signature  
*Managing Partner*  
Title

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).



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DUNN RUSH & CO., LLC

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

Year Ended December 31, 2013

**DUNN RUSH & CO., LLC**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Year Ended December 31, 2013**

**SEC  
Mail Processing  
Section**

**FEB 28 2014**

**Washington DC  
404**



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Members of  
Dunn Rush & Co., LLC

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Dunn Rush & Co., LLC (a Massachusetts limited liability company) (the "Company") which comprise the statement of financial condition as of December 31, 2013, and the related statements of operations, changes in members' 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.

### **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 of 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.



## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dunn Rush & Co., 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.

### **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 the Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 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 the Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 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 the Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 is fairly stated in all material respects in relation to the financial statements as a whole.

Chestnut Hill, Massachusetts  
February 24, 2014



DUNN RUSH & CO., LLC

**STATEMENT OF FINANCIAL CONDITION**

**December 31, 2013**

**ASSETS**

Cash	\$	59,685
Prepaid expenses		7,888
Deposit		4,120
Property and equipment, net of accumulated depreciation of \$127		2,392
Other assets		<u>1,317</u>
	\$	<u>75,402</u>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts payable and accrued expenses	\$	19,267
Members' equity		<u>56,135</u>
	\$	<u>75,402</u>



DUNN RUSH & CO., LLC

**STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2013**

Revenues:

Fee income	\$	364,390
Interest income		<u>52</u>
		<u>364,442</u>

Operating expenses:

Advertising and promotion		13,800
Bad debts		60,000
Communications expense		10,600
Consulting		22,500
Depreciation		127
Dues and subscriptions		20,461
Guaranteed payments		99,327
Insurance		21,645
Meetings		10,707
Office expenses		9,488
Other expenses		9,060
Parking		11,264
Professional fees		18,965
Regulatory fees and expenses		6,506
Rent		27,933
Research		26,793
Travel and entertainment		<u>15,378</u>
		<u>384,554</u>

Net loss	\$	<u>(20,112)</u>
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DUNN RUSH & CO., LLC

**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**Year Ended December 31, 2013**

	<u>Total</u>
Balance, January 1, 2013	\$ 80,756
Net loss	(20,112)
Contributions from members	40,000
Distributions to members	<u>(44,509)</u>
Balance, December 31, 2013	\$ <u><u>56,135</u></u>



DUNN RUSH & CO., LLC

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2013**

Cash flows from operating activities:	
Net loss	\$ (20,112)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	127
Accounts receivable	50,661
Prepaid expenses	(485)
Other assets	2,635
Accounts payable and accrued expenses	<u>(1,187)</u>
Net cash provided by operating activities	<u>31,639</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(2,519)</u>
Cash flows from financing activities:	
Contributions from members	40,000
Distributions to members	<u>(44,509)</u>
Net cash used for financing activities	<u>(4,509)</u>
Net increase in cash during the year	24,611
Cash, beginning of year	<u>35,074</u>
Cash, end of year	\$ <u><u>59,685</u></u>



## DUNN RUSH & CO., LLC

### NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Note 1

#### Organization and nature of business

Dunn Rush & Co., LLC (the “Company”) was formed in 2009 and is a Massachusetts limited liability company. The Company offers merger and acquisition, financial advisory, and private placement services in accordance with the management agreement with the Financial Industry Regulatory Authority (“FINRA”). The Company is a registered broker under the Securities Exchange Act of 1934 and is a member of FINRA and the Securities Investor Protection Corporation (“SIPC”).

All member units are restricted from transfer, unless transferred to permitted transferee’s as defined in the agreement, without the Company and members being offered the first right to repurchase the units. If the Company and the other members do not exercise their right, the units may be sold to a bona fide third party.

Note 2

#### Summary of significant accounting policies

##### Revenue recognition

The Company enters into contracts with customers calling for monthly retainers to be paid during the term of the arrangement and commission based on a fixed percentage of the total consideration paid once the merger, acquisition, etc. (the “Transaction”) is finalized. Accordingly, management recognizes monthly consulting fees in revenue in the month earned when persuasive evidence of an arrangement exists, the services outlined in the contract have been performed, the price of the contract is fixed or determinable, and collectability is reasonably assured, with separate revenue recognition once each Transaction is finalized.

##### Income taxes

The members of the Company have elected to have the Company taxed as a partnership for income tax purposes. Accordingly, the Company is not subject to federal or state income taxes. All taxable income/loss and tax credits are reflected on the income tax returns of the members.

##### Income tax positions

The Financial Accounting Standards Board (“FASB”) has issued a standard that clarifies the accounting and recognition of income tax positions taken or expected to be taken in the Company’s income tax returns. The Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. If the Company incurs interest or penalties as a result of unrecognized tax benefits the policy is to classify interest accrued with interest expense and penalties thereon with operating expenses. The Company’s federal and state income tax returns are generally open for examination for the past three years.



DUNN RUSH & CO., LLC

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2013

Note 2 **Summary of significant accounting policies (continued)**

**Use of estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Advertising**

The Company expenses the cost of advertising as it is incurred. Advertising expense amounted to \$13,800 for the year ended December 31, 2013.

**Property and equipment**

Property and equipment is stated at cost. Depreciation is calculated on the straight-line method over the estimated useful life of the related asset.

<u>Description</u>	<u>Estimated Useful Life</u>
Property and equipment	5 years

**Subsequent events**

The Company has evaluated subsequent events through February 24, 2014, which is the date the financial statements were available to be issued.

Note 3 **Net capital requirements**

The Company is subject to the Securities and Exchange Commission’s Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital balance and requires that the Company’s aggregate indebtedness to net capital, as defined, shall not exceed 15 to 1.

At December 31, 2013 the Company’s net capital was \$40,418, which was \$35,418 in excess of its required net capital of \$5,000. The Company’s aggregate indebtedness to net capital was .48 to 1.



**DUNN RUSH & CO., LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2013**

Note 4      **Concentrations**

**Customers**

For the year ended December 31, 2013, four customers represented 81% of the Company's revenue.

**Cash**

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Company has not experienced any losses in such accounts.

Note 5      **Leases**

The Company leased its premises under a one year lease that ended on December 31, 2013. Rent expense was \$27,933 for the year ended December 31, 2013. In December 2013 the Company renewed its lease for one year commencing January 1, 2014 at a rental of \$2,445 per month. The future minimum rent due for the year ending December 31, 2014 is \$29,340.

Note 6      **Reserve requirement pursuant to Rule 15c3-3**

The Company is exempt from the provisions of Securities and Exchange Rule 15c3-3 under the exemptive provision under paragraph (k)(2)(i).



DUNN RUSH & CO., LLC

**COMPUTATION OF NET CAPITAL PURSUANT TO**  
**UNIFORM NET CAPITAL RULE 15c3-1**  
**Year Ended December 31, 2013**

Capital		
Members' equity	\$	56,135
Deductions and charges:		
Nonallowable assets:		
Prepaid expenses	\$	(7,888)
Deposit		(4,120)
Furniture and equipment, net		(2,392)
Other assets		<u>(1,317)</u>
		<u>(15,717)</u>
Net capital	\$	<u>40,418</u>
Aggregate indebtedness		
Accounts payable and accrued expenses	\$	<u>19,267</u>
Computation of basic net capital requirement		
Minimum net capital required	\$	1,284
Minimum dollar net capital required		5,000
Net capital requirement		5,000
Excess net capital	\$	<u>35,418</u>
Net capital less 120% of minimum dollar net capital required	\$	<u>34,418</u>
Percentage of aggregate indebtedness to net capital		48%
<b>Reconciliation with Company's computation (included in part II of form X-17A-5 as of December 31, 2013)</b>		
Net capital, as reported in Company's part II (unaudited) focus report	\$	<u>40,418</u>
Net capital per above	\$	<u>40,418</u>



**REPORT OF INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1) FOR A  
BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

To the Board of Directors and Members of  
Dunn Rush & Co., LLC

In planning and performing our audit of the financial statements of Dunn Rush & Co., 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 17(a)-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 of 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.



**REPORT OF INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1) FOR A  
BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3  
(CONTINUED)**

Because of the 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 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 a material weakness. 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 use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority and other regulatory agencies which 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.

Chestnut Hill, Massachusetts  
February 24, 2014