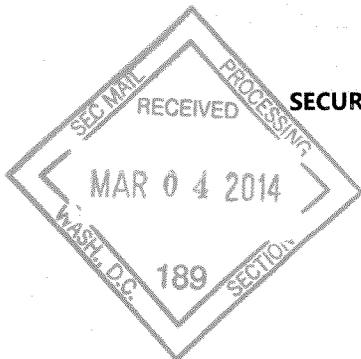




14048500

AB
3/19



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

OMB APPROVAL
OMB Number: 3235-0123
Expires March 31, 2016
Estimated average burden
hours per response... 12.00

ANNUAL AUDITED REPORT

FORM X-17A-5
PART III

SEC FILE NUMBER
8-67961

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: FELLS POINT RESEARCH, LLC

OFFICIAL USE ONLY
FIRM I.D.NO.

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

600 WYNDHURST AVENUE, SUITE 300-C

BALTIMORE MD 21210
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
DAVID PRINGLE (410) 464-3111
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PETERSON SULLIVAN LLP

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

601 UNION ST, STE 2300 SEATTLE WA 98101
(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 240.17 a-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.

SEC 1410 (06.02)

DD
3/24/14

OATH OR AFFIRMATION

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

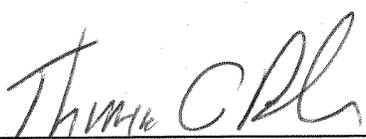


Signature

FEBRUARY 23, 2014

CEO & PRINCIPAL

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. (CASH FLOWS)
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. (NOT APPLICABLE)
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. (NOT APPLICABLE)
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3. (NOT APPLICABLE)
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 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. (NOT APPLICABLE)
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report. (NOT APPLICABLE)
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. (NOT APPLICABLE)

* RESERVE REQUIREMENT IS NOT APPLICABLE

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

(O) 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.

INDEPENDENT AUDITORS' REPORT

To the Member
Fells Point Research, LLC
Baltimore, Maryland

We have audited the accompanying statement of financial condition of Fells Point Research, LLC ("the Company") as of December 31, 2013, and the related statements of income, changes in 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; 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. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fells Point Research, 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.

Report on Supplementary Information

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

Peterson Sullivan LLP.

February 12, 2014

FELLS POINT RESEARCH, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2013

ASSETS

Cash	\$	28,530
Prepaid Expenses		2,047
Deposits		2,117
		<hr/>
	\$	32,694
		<hr/> <hr/>

LIABILITIES & MEMBER'S EQUITY

Liabilities		
Accounts payable	\$	379
Member's Equity		<hr/>
		32,315
		<hr/>
	\$	32,694
		<hr/> <hr/>

See Notes to Financial Statements

FELLS POINT RESEARCH, LLC

STATEMENT OF INCOME
For the Year Ended December 31, 2013

Revenues		
Research/Consulting Fee Income	\$	48,000
Expenses		
Guaranteed Payments		23,645
Office Rent		6,730
Professional Fees		4,463
License & Registration Fees		2,611
Telecommunications		2,434
Travel		1,802
Dues & Subscriptions		724
Entertainment		629
Insurance		472
Education & Training		470
Miscellaneous Expenses		375
Office Supplies		283
		<hr/>
		44,638
		<hr/>
Net Income	\$	<u>3,362</u>

See Notes to Financial Statements

FELLS POINT RESEARCH, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

For the Year Ended December 31, 2013

Balance, December 31, 2012	\$	28,953
Net Income		<u>3,362</u>
Balance, December 31, 2013	\$	<u><u>32,315</u></u>

See Notes to Financial Statements

FELLS POINT RESEARCH, LLC

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

Cash Flows From Operating Activities	
Net Income	\$ 3,362
Adjustments to reconcile net income to net cash flows from operating activities	
Change in operating assets and liabilities	
Deposits	(1,205)
Accounts payable	(308)
	<hr/>
Net cash flows from operating activities and increase in cash	1,849
Cash, beginning of year	<hr/> 26,681
Cash, end of year	<hr/> <hr/> \$ 28,530

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization

Fells Point Research, LLC ("the Company") became a securities broker and dealer as approved by the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") on February 24, 2009.

The Company is a limited liability company (or "LLC"), and as an LLC, any liability to the owner is generally limited to amounts invested into it. The Company only has one member who is involved in all of the Company's operations. The Company is scheduled to dissolve on June 20, 2037, unless terminated by the member-owner at an earlier date.

The Company's current services include providing financial research services to institutional investors.

The Company uses certain furniture and equipment provided by its member-owner (without charge). Any charges that could be allocated to the Company are not material.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from the estimates that were used.

Cash

Cash includes cash in bank checking accounts.

Revenue Recognition

Revenue is generally recognized when services are provided and invoiced to the Company's customers. Payments for services are generally negotiated or may be determined by the Company's customers. All of the Company's revenue in 2013 is from one customer.

Income Taxes

The Company has one member-owner and, as such, is a disregarded entity for tax purposes. Items of income, loss, deduction, and credit are passed through to its member-owner. The Company does not file federal tax returns at the Company level as it is owned by one member.

Subsequent Events

The Company has evaluated additional subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

Note 2. Guaranteed Payments

The Company pays guaranteed payments to its member. The amount and frequency of the payments are determined at the member's discretion. During 2013, guaranteed payments totaling \$23,645 were made to the member.

Note 3. Leases

The Company leases its office space under an operating lease that expires on September 30, 2015. Rent expense for the year ended December 31, 2013, totaled \$6,730. Total minimum lease payments required under non-cancelable operating leases for the years ending December 31 are as follows:

2014	\$	6,940
2015		<u>5,321</u>
	\$	<u><u>12,261</u></u>

Note 4. Commitments, Contingencies, and Guarantees

Management of the Company believes that there are no commitments (other than the commitment described in Note 3), contingencies, or guarantees that may result in a loss or future obligations as of December 31, 2013.

Note 5. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). Accordingly, the Company is required to maintain a minimum level of net capital (as defined) of 6 2/3% of total aggregate indebtedness or \$5,000, whichever is greater. At December 31, 2013, the required minimum net capital was \$5,000. The Company had computed net capital of \$28,151 at December 31, 2013, which was in excess of the required net capital level by \$23,151. In addition, the Company is not allowed to have a ratio of aggregate indebtedness to net capital in excess of 15 to 1. At December 31, 2013, the Company's ratio of aggregate indebtedness to net capital was 0.0135 to 1.

S U P P L E M E N T A R Y I N F O R M A T I O N

FELLS POINT RESEARCH, LLC

SCHEDULE I
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
December 31, 2013

COMPUTATION OF NET CAPITAL

Member's equity	\$	32,315
Deductions		
Prepaid expenses		(2,047)
Deposits		(2,117)
		<hr/>
Net capital, as computed		28,151
Minimum net capital		<hr/> 5,000
Excess net capital	\$	<hr/> <hr/> 23,151

COMPUTATION OF AGGREGATE INDEBTEDNESS

Accounts payable and aggregate indebtedness	\$	<hr/> <hr/> 379
---	----	-----------------

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6 2/3% of total aggregate indebtedness or \$5,000, whichever is greater)	\$	<hr/> <hr/> 5,000
Percentage of aggregate indebtedness to net capital		1.35%
Ratio of aggregate indebtedness to net capital		0.0135 to 1

Fells Point Research, LLC is exempt from the computation of reserve requirements pursuant to Rule 15c3-3 under paragraph K(2)(i).

FELLS POINT RESEARCH, LLC

SCHEDULE II
RECONCILIATION BETWEEN THE COMPUTATION OF NET CAPITAL PER
THE BROKER'S UNAUDITED FOCUS REPORT, PART IIA, AND THE
AUDITED COMPUTATION OF NET CAPITAL

December 31, 2013

Net capital per the broker's unaudited Focus Report, Part IIA and per audited financial statements	<u>\$ 28,151</u>
---	------------------

No adjustments were proposed to net capital per the broker's unaudited Focus Report, Part IIA, as a result of the audit.

**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
Fells Point Research, LLC
Baltimore, Maryland

In planning and performing our audit of the financial statements of Fells Point Research, LLC ("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 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, 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 accordance with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or 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 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 use of 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 specific parties.

Peterson Sullivan LLP.

February 12, 2014

FELLS POINT RESEARCH, LLC

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2013

C O N T E N T S

	Page	
FACING PAGE	1	
OATH OR AFFIRMATION	2	
INDEPENDENT AUDITORS' REPORT	3 and 4	
 FINANCIAL STATEMENTS		
STATEMENT OF FINANCIAL CONDITION	5	
STATEMENT OF INCOME	6	
STATEMENT OF CHANGES IN MEMBER'S EQUITY	7	
STATEMENT OF CASH FLOWS	8	
NOTES TO FINANCIAL STATEMENTS	9 and 10	
 SUPPLEMENTARY INFORMATION		
SCHEDULE I COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1.....	12	
SCHEDULE II RECONCILIATION BETWEEN THE COMPUTATION OF NET CAPITAL PER THE BROKER'S UNAUDITED FOCUS REPORT, PART IIA, AND THE AUDITED COMPUTATION OF NET CAPITAL.....	13	
 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		14 and 15