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

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

SEC  
Mail Processing  
Section  
MAR 03 2015  
Washington DC  
404

SEC FILE NUMBER
8-66433

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 1/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: STERN CAPITAL LLC

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

708 Third Avenue, Suite 1610

OFFICIAL USE ONLY
FIRM I.D. NO.

New York (City) (No. and Street) NY (State) 10017 (Zip Code)

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

Lawrence Stern (212) 832-1200

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MLGW LLP

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

462 Seventh Avenue (Address) New York (City) NY (State) 10018 (Zip Code)

CHECK ONE:

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

<b>FOR OFFICIAL USE ONLY</b>

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

SEC 1410 (06-02)

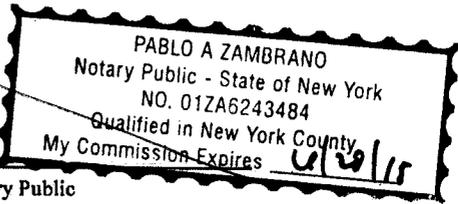
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OATH OR AFFIRMATION

I, Lawrence Stern, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stern Capital LLC, as of December 31, 2014, 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]  
Signature  
Member  
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 Cash Flow 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).

**STERN CAPITAL LLC AND SUBSIDIARY**

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462 Seventh Avenue, New York, NY 10018-7606  
Phone (212) 302-6000 • Fax (646) 599-8301

Certified Public Accountants and Business Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of  
Stern Capital LLC and Subsidiary

We have audited the accompanying consolidated statement of financial condition of Stern Capital LLC and Subsidiary (the "Company") (a Delaware limited liability company) as of December 31, 2014, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements. The Company's management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial position presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial condition of Stern Capital LLC and Subsidiary as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

*MLGW, LLP*

New York, New York  
February 19, 2015

**STERN CAPITAL LLC AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

<b>Assets</b>	
Cash and cash equivalents	\$ 96,115
Fees receivable	51,905
Prepaid expenses and other assets	19,344
Due from affiliate	<u>1,067</u>
Total Assets	<u>\$ 168,431</u>
<b>Liabilities and Member's Equity</b>	
Accrued expenses and other liabilities	\$ 66,074
Member's equity	<u>102,357</u>
Total Liabilities and Member's Equity	<u>\$ 168,431</u>

*Filed in accordance with rule 17a-5(e)(3) as a PUBLIC DOCUMENT*

The accompanying notes are an integral part of this consolidated financial statement.

**STERN CAPITAL LLC AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**1. ORGANIZATION AND NATURE OF BUSINESS**

Stern Capital LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a single member limited liability company and continues until such time it is terminated. The member's liability is limited. The Company earns commissions and fees from insurance companies and asset management firms for the implementation of private placement variable annuity life insurance contracts and the rendering of consulting services.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Stern Capital LTD. All material intercompany balances and transactions have been eliminated in consolidation.

Stern Capital LTD was formed on September 5, 2007 under the laws of Bermuda. Stern Capital LTD, an unregulated entity, earns fees from insurance companies and asset management firms for the implementation of private placement variable annuity life insurance contracts with foreign investors.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

The Company's financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP").

**b) Use of Estimates**

The preparation of consolidated financial statements in accordance 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 consolidated financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**c) Cash and Cash Equivalents**

The Company and subsidiary consider all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

*Filed in accordance with rule 17a-5(e)(3) as a PUBLIC DOCUMENT*

**STERN CAPITAL LLC AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(cont'd)**

**DECEMBER 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**d) Revenue Recognition**

The Company recognizes fee income and related expenses when services provided are substantially completed.

**e) Concentration of Credit Risk**

The Company and subsidiary maintain cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company and subsidiary have not experienced any losses in such accounts and believe it is not exposed to any credit risk.

For the year ended December 31, 2014, approximately 77% of the fees receivable were due from these clients at December 31, 2014.

**f) Income Taxes**

The Company is a single member limited liability company. As such, the member is responsible for income taxes that result from the Company's operations. Therefore, no provision for income taxes is included in the accompanying financial statements.

In accordance with ASC 740, *Income Taxes*, the Company is required to disclose unrecognized tax benefits resulting from uncertain tax positions. At December 31, 2014, the Company did not have any unrecognized tax benefits or liabilities. The Company operates in the United States and in state and local jurisdictions, and the previous three years remain subject to examination by tax authorities. There are presently no ongoing income tax examinations.

**3. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission 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, 2014, the Company had net capital of \$65,477, which was \$60,477 in excess of its required net capital of \$5,000. The Company's net capital ratio was 1.01 to 1.

*Filed in accordance with rule 17a-5(e)(3) as a PUBLIC DOCUMENT*

**STERN CAPITAL LLC AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**DECEMBER 31, 2014**

**4. CONSOLIDATED SUBSIDIARY**

The following is a summary of certain financial information of the Company's consolidated subsidiary, Stern Capital LTD.

Total assets	\$	7,467
Total liabilities	\$	4,987
Total member's equity	\$	<u>2,480</u>

The member's equity of Stern Capital LTD is not included as capital in the consolidated computation of the Company's net capital.

**5. RELATED PARTY**

The Company entered into an agreement with an affiliate related through common ownership for administrative expenses. As of December 31, 2014, the affiliate owed the Company \$1,067.

**6. SUBSEQUENT EVENTS**

The Company has evaluated and noted no events or transactions that have occurred after December 31, 2014 and through February 19, 2015 that would require recognition or disclosure in the financial statements.

**STERN CAPITAL LLC AND SUBSIDIARY**  
**REPORT ON AUDIT OF**  
**CONSOLIDATED**  
**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2014**

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

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

708 Third Avenue, Suite 1610

New York

(No. and Street)

NY

10017

(City)

(State)

(Zip Code)

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

Lawrence Stern

(212) 832-1200

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MLGW LLP

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

462 Seventh Avenue

New York

NY

10018

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

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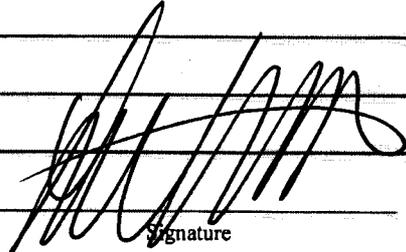
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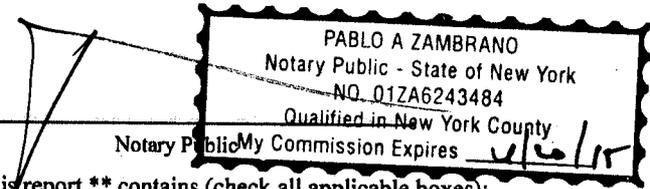
OATH OR AFFIRMATION

I, Lawrence Stern, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stern Capital LLC, as of December 31, 2014, 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

\_\_\_\_\_  
Member Title



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
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- (c) Statement of Income (Loss).
- (d) Statement of Changes in Cash Flow 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.

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**STERN CAPITAL LLC AND SUBSIDIARY**

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Certified Public Accountants and Business Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of  
Stern Capital LLC and Subsidiary

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We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial position presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial condition of Stern Capital LLC and Subsidiary as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

*MLGW, LLP*

New York, New York  
February 19, 2015

**STERN CAPITAL LLC AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

<b>Assets</b>	
Cash and cash equivalents	\$ 96,115
Fees receivable	51,905
Prepaid expenses and other assets	19,344
Due from affiliate	<u>1,067</u>
Total Assets	<u>\$ 168,431</u>
<b>Liabilities and Member's Equity</b>	
Accrued expenses and other liabilities	\$ 66,074
Member's equity	<u>102,357</u>
Total Liabilities and Member's Equity	<u>\$ 168,431</u>

*Filed in accordance with rule 17a-5(e)(3) as a PUBLIC DOCUMENT*

The accompanying notes are an integral part of this consolidated financial statement.

## STERN CAPITAL LLC AND SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

#### 1. ORGANIZATION AND NATURE OF BUSINESS

Stern Capital LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a single member limited liability company and continues until such time it is terminated. The member's liability is limited. The Company earns commissions and fees from insurance companies and asset management firms for the implementation of private placement variable annuity life insurance contracts and the rendering of consulting services.

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#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of Presentation

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##### c) Cash and Cash Equivalents

The Company and subsidiary consider all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

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**STERN CAPITAL LLC AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**DECEMBER 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**d) Revenue Recognition**

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**e) Concentration of Credit Risk**

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**3. NET CAPITAL REQUIREMENTS**

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**STERN CAPITAL LLC AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**DECEMBER 31, 2014**

**4. CONSOLIDATED SUBSIDIARY**

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Total assets	\$ 7,467
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Total member's equity	<u>\$ 2,480</u>

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**5. RELATED PARTY**

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**6. SUBSEQUENT EVENTS**

The Company has evaluated and noted no events or transactions that have occurred after December 31, 2014 and through February 19, 2015 that would require recognition or disclosure in the financial statements.

**STERN CAPITAL LLC AND SUBSIDIARY**

**REPORT ON AUDIT OF  
CONSOLIDATED  
STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2014**