



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

OMB APPROVAL	
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3/6/15

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

SEC FILE NUMBER
8- 65792

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 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FIRST BALLANTYNE LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

13950 BALLANTYNE CORPORATE PLACE, STE 185
(No. and Street)

CHARLOTTE
(City)

NC
(State)

28277
(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

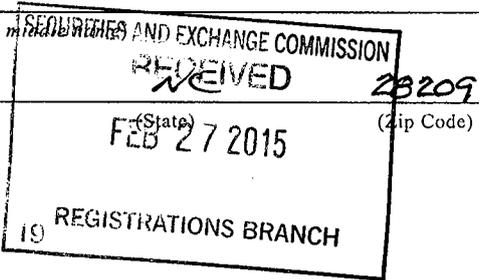
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SCHARF PERA & Co PLLC

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

4600 PARK ROAD
(Address)

CHARLOTTE
(City)



28209
(Zip Code)

CHECK ONE:

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

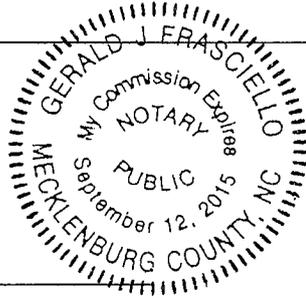
FOR OFFICIAL USE ONLY

*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)

DB
3/9/15

OATH OR AFFIRMATION

I, STEVE TEAK, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FIRST BALLANTINE LLC, as of DECEMBER 31, 20 14, 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]
Notary Public

[Signature]
Signature
CHIEF FINANCIAL OFFICER
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).

FIRST BALLANTYNE, LLC
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

February 19, 2015
First Ballantyne, LLC
10000
Charlotte, NC

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Managing Members
First Ballantyne, LLC

We have audited the accompanying financial statements of First Ballantyne, LLC, which comprise the statement of financial condition as of December 31, 2014, and the related statements of income, 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 and supplemental information. First Ballantyne, LLC's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements 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 financial statements are 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 financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of First Ballantyne, LLC as of December 31, 2014, 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.

The information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of First Ballantyne, LLC's financial statements. The supplemental information is the responsibility of First Ballantyne, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Scharf Pera & Co., PLLC

Scharf Pera & Co., PLLC
Charlotte, North Carolina
February 19, 2015

FIRST BALLANTYNE, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2014

ASSETS

Cash	\$ 86,692
Goodwill	1,945,607
Deposits with clearing organization (cash)	3,395,900
Receivables from clearing organization	6,778,643
Securities owned:	
Marketable, at market value	17,820,934
Furniture, equipment, and leasehold improvements, at cost, less accumulated depreciation of \$ 237,860	19,116
Intangible assets at cost less accumulated amortization of \$ 12,567	16,433
Other assets	<u>184,187</u>
	<u>\$ 30,247,512</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:	
Payables to clearing organization	\$ 17,781,446
Securities sold, not yet purchased, at market value	5,694,281
Accounts payable, accrued expenses, and other liabilities	<u>141,871</u>
	23,617,598
Commitments and contingent liabilities	-
Members' equity	<u>6,629,914</u>
	<u>\$ 30,247,512</u>

The accompanying notes are an integral part of the financial statements.

FIRST BALLANTYNE, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

Revenues:

Principal transactions	\$ 4,915,891
Interest and dividends	947,939
Other income	<u>3,110</u>
	<u>5,866,940</u>

Expenses:

Employee compensation and benefits	3,444,653
Clearance fees	650,116
Communications and data processing	468,791
Interest	269,520
Regulatory	84,268
Occupancy	64,920
Other expenses	<u>256,888</u>
	<u>5,239,156</u>

NET INCOME	<u>\$ 627,784</u>
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The accompanying notes are an integral part of the financial statements.

FIRST BALLANTYNE, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

Ending Balance, December 31, 2013	\$ 8,954,528
Net income	627,784
Contributions	1,619,118
Redemptions	<u>(4,571,516)</u>
Ending Balance, December 31, 2014	<u>\$ 6,629,914</u>

The accompanying notes are an integral part of the financial statements.

FIRST BALLANTYNE, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income		\$ 627,784
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	\$ 36,321	
(Increase) decrease in operating assets:		
Deposits with clearing organization	2,977,217	
Receivable from clearing organization	(3,620,039)	
Securities owned	(5,494,599)	
Other assets	(34,372)	
Increase (decrease) in operating liabilities:		
Payable to clearing organization	5,446,594	
Securities sold, not yet purchased	3,113,641	
Accounts payable, accrued expenses, and other liabilities	(196,568)	
Total adjustments		<u>2,228,195</u>
Net cash provided by operating activities		2,855,979

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of intangibles, furniture, equipment, and leasehold improvements	<u>(838)</u>	
Net cash used in investing activities		(838)

CASH FLOWS FROM FINANCING ACTIVITIES:

Paid-in Capital	1,619,118	
Distributions of members' equity	<u>(4,558,415)</u>	
Net cash used in financing activities		<u>(2,939,297)</u>

DECREASE IN CASH (84,156)

CASH AT BEGINNING OF YEAR 170,848

CASH AT END OF YEAR \$ 86,692

The accompanying notes are an integral part of the financial statements.

FIRST BALLANTYNE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Organization and Nature of Business:

First Ballantyne, LLC (the "Company") was formed in the state of North Carolina in December 2002. The Company is a fixed-income trading organization that offers retail fixed-income trading desks, taxable debt products, investment ideas, support services and trade executions in fixed-income securities for financial professionals and the investing public. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC"). The Company clears all customer transactions through another broker-dealer on a fully disclosed basis.

Note 2 - Significant Accounting Policies:

Cash and cash equivalents:

The Company considers all highly liquid investments having an original maturity of three months or less to be cash equivalents. Amounts invested may exceed federally insured limits at any given time.

Security transactions:

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade-date basis. Marketable securities are valued at market value.

Commissions:

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Income taxes:

The Company is a limited liability company and has elected to be taxed under the partnership provision of the Internal Revenue Code. Under this provision, the members are taxed on the Company's taxable income. The Company bears no liability or expense for income taxes, and none is reflected in these financial statements. Similar provisions apply for state income taxes.

Note 2 - Significant Accounting Policies (continued):

Income taxes (continued):

The Company accounts for income taxes in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes”. FASB ASC 740-10 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the balance sheet. It also provides guidance on derecognition, measurement and classification of amounts related to uncertain tax positions, accounting for and disclosure of interest and penalties, accounting in interim period disclosures and transition relating to the adoption of new accounting standards. Under FASB ASC 740-10, the recognition for uncertain tax positions should be based on a more-likely-than-not threshold that the tax position will be sustained upon audit. The tax position is measured as the largest amount of benefit that has a greater than fifty percent probability of being realized upon settlement. Management has determined that adoption of this topic has had no effect on the Company’s balance sheet. Tax years 2013, 2012, and 2011 remain subject to examination by Federal and State taxing authorities.

Property and equipment:

Property and equipment consists of computers, computer monitors and printers and are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. Repairs and maintenance are expensed as incurred. Any gain or loss on disposition of property and equipment is reported in the year of disposition.

Intangible assets:

The Company accounts for intangible assets under FASB ASC Topic 350, “Intangibles-Goodwill and Other” under which intangible assets are recorded at cost. Those assets with a determinable estimated life are amortized on a straight-line basis over their estimated lives. Intangible assets with an indefinite life are not subject to amortization. These costs are evaluated at least annually for impairment in accordance with FASB ASC Topic 350-30-35-1 “Subsequent Measurement”.

The Company accounts for purchases of members’ equity interests under the push-down method. Under this method, the retirement of the withdrawing member’s equity is treated as a purchase transaction whereby the purchase price is pushed down to the financial statements of the LLC by a pro rata revaluation of the LLC’s assets and liabilities, with the amount paid in excess of the fair value being recorded as goodwill. All costs, including legal fees, associated with the purchase transaction are expensed as incurred.

Statement of cash flows:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note 2 - Significant Accounting Policies (continued):

Use of accounting estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Fair value of financial instruments:

The Company's financial instruments include cash, accounts receivable, accounts payable, accrued expenses and other liabilities. The carrying amounts of these financial instruments approximate fair value due to their short maturities.

Note 3 - Property and Equipment:

The principal categories and estimated useful lives of property and equipment are as follows:

		<u>Estimated Useful Lives</u>
Office equipment	\$ 168,765	5 years
Furniture and fixtures	68,211	7 years
Leasehold improvements	<u>20,000</u>	9 years
	256,976	
Less: accumulated depreciation	<u>(237,860)</u>	
	<u>\$ 19,116</u>	

Depreciation expense for the year ended December 31, 2014 totaled \$30,521.

Note 4 - Receivable From and Payable to Clearing Organization:

Amounts receivable from and payable to a clearing organization at December 31, 2014, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Deposits with clearing organization	\$ 3,395,900	\$ -
Receivable from clearing organization	6,778,643	-
Payable to clearing organization	-	17,781,446
	<u>\$ 10,174,543</u>	<u>\$ 17,781,446</u>

Note 5 - Securities Owned and Sold, Not Yet Purchased:

Marketable securities owned and sold, not yet purchased, consist of trading and investment securities at market values, as follows:

	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
Corporate bonds, debentures and notes	<u>\$ 17,820,934</u>	<u>\$ 5,694,281</u>

Note 6 - Defined Contribution Plan:

In 2004, the Company began a defined contribution retirement plan covering substantially all employees. Under this plan, the Company may make discretionary contributions. Total Company contributions to the plan were \$63,402 for the year ended December 31, 2014.

Note 7 - Financial Instruments with Off-Balance-Sheet Risk:

The Company has sold securities that it does not currently own and will therefore be obligated to purchase such securities at a future date. The Company has recorded these obligations in the financial statements at December 31, 2014, at market values of the related securities and will incur a loss if the market value of the securities increases subsequent to December 31, 2014.

Note 8 – Cash Flow Information:

Supplemental cash flow information for the year ended December 31, 2014 is as follows:

Income taxes paid	<u>\$ -</u>
Interest paid	<u>\$ 269,520</u>
Non-cash property redemption	<u>\$ 13,096</u>

Note 9 - Operating Leases:

The Company has obligations under operating leases with initial non-cancelable terms in excess of one year. Aggregate annual rentals for office space and equipment at December 31, 2014, are approximated below:

Year Ending December 31,		
2015	\$	158,009
2016		46,205
2017		-
2018		-
Thereafter		-
	<u>\$</u>	<u>204,214</u>

Operating lease expense for 2014 aggregated approximately \$33,616.

Note 10 – Members' Equity:

Effective May 1, 2014, two of the founding members of the FIRM redeemed their ownership interests of 66.45% for \$4,571,516. Additionally, during the year ended December 31, 2014, contributions from current members totaled \$1,619,118.

Note 11 - Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 or a minimum net capital of \$100,000. At December 31, 2014, the company had net capital of \$2,205,014, which was \$2,105,014 in excess of its required net capital of \$100,000. The Company's aggregate indebtedness to net capital ratio was 6.43 to 1.

Note 12 – Subsequent Events:

The Company evaluated all events and transactions through February 19, 2015, the date these financial statements were issued. During this period, there were no material recognizable or non-recognizable subsequent events.

FIRST BALLANTYNE, LLC
SUPPLEMENTARY INFORMATION
PURSUANT TO RULE 17A-5 OF THE
SECURITIES EXCHANGE ACT OF 1934
AS OF DECEMBER 31, 2014

The accompanying schedules are prepared in accordance with the requirements and general format of FOCUS Form X-17a-5.

SCHEDULE I
FIRST BALLANTYNE, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2014

Net capital:		
Total members' equity		\$ 6,629,914
Deduct members' equity not allowable for net capital		<u>-</u>
Total members' equity qualified for net capital		6,629,914
Add:		
Subordinated borrowings allowable in computation of net capital		-
Other deductions or allowable credits		<u>-</u>
Total capital and allowable subordinated borrowings		6,629,914
Deductions and/or charges:		
Nonallowable assets:		
Goodwill, furniture, equipment, and leasehold improvements, net	\$ 1,981,156	
Other assets	<u>87,683</u>	
Deductions and/or charges		<u>(2,068,839)</u>
Net capital before haircuts on securities positions (tentative net capital)		4,561,075
Haircuts on securities:		
Debt securities		(2,190,744)
Undue concentration		<u>(165,317)</u>
Net capital		<u>\$ 2,205,014</u>
Aggregate indebtedness:		
Items included in statement of financial condition:		
Accounts payable, accrued expenses, and other liabilities		<u>\$ 141,871</u>
Total aggregate indebtedness		<u>\$ 141,871</u>

SCHEDULE I
FIRST BALLANTYNE, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2014

(continued)

Computation of basic net capital requirement:

Minimum net capital required, greater of:

Minimum net capital required as computed

at 6.67 percent of aggregate indebtedness

\$ 9,458

Minimum dollar net capital requirement

100,000

Total net capital requirement

\$ 100,000

Excess net capital

\$ 2,105,014

Excess net capital at 120 percent of minimum dollar requirement

\$ 2,085,014

Ratio: Aggregate indebtedness to net capital

6.43 to 1

The total capital reported, \$6,629,914, and net capital reported, \$2,205,014 agree with the Company's computation and amount reported in Part II of Form X-17A-5 (unaudited) FOCUS report as of December 31, 2014.

FIRST BALLANTYNE, LLC
STATEMENT REGARDING SCHEDULE II, III, AND IV
AS OF DECEMBER 31, 2014

Schedule II, III, and IV are not applicable. The Company has claimed an exemption from SEC Rule 15c3-3 based on the fact that all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

4600 Park Road, Suite 112
Charlotte, NC 28209
704 372 1167
704 377-3259 fax
scharfpera.com

**INDEPENDENT ACCOUNTANTS' AGREED-UPON PROCEDURES REPORT ON
SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

To the Managing Members
First Ballantyne, LLC

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by First Ballantyne, LLC, and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating First Ballantyne, LLC's compliance with the applicable instructions of Form SIPC-7. First Ballantyne, LLC's management is responsible for First Ballantyne, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records in the financial accounting software and cancelled checks, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2014, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules, including a detail of amounts paid as commissions, floor brokerage and clearance fees to other SIPC members in connection with securities transactions, and a schedule of dividend and interest expenses, noting no differences; and
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

SCHARF PERA & Co., PLLC

Scharf Pera & Co., PLLC
Charlotte, North Carolina
February 19, 2015

SECURITIES INVESTOR PROTECTION CORPORATION
 P.O. Box 92185 Washington, D.C. 20090 2185
 202 371-8300

General Assessment Reconciliation

For the fiscal year ended 12/31/2014

Read carefully the instructions in your Working Copy before completing this Form

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Enter Broker/Member, Designated Examining Authority, 1934 Act registration no., and month in which fiscal year ends in the appropriate boxes of the filing requirement of SEC Rule 17a-5

16*16*****2119*****MIXED AADC 220
 065792 FINRA DEC
 FIRST BALLANTYNE LLC
 13950 BALLANTYNE CORPORATE PL STE 185
 CHARLOTTE NC 28277-3160

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form

2. A. General Assessment (Item 2c from page 2)	\$ <u>12,363</u>
B. Less payment made with SIPC G filed (exclude interest)	(<u>5,095</u>)
Date Paid _____	
C. Less prior overpayment applied	(_____)
D. Assessment balance due (or overpayment)	<u>7,268</u>
E. Interest computed on late payment (see instruction 1) for _____ days at 20% per annum	_____
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>7,268</u>
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC (total must be same as F. above)	\$ <u>7,268</u>
H. Overpayment carried forward	\$(_____)

3. If business (s) and predecessor (P) included in this form (give name and 1934 Act registration number):

I, _____ SIPC member submitting this form and the person by whom it is executed represent hereby that all information contained herein is true, correct and complete.

FIRST BALLANTYNE LLC

(Name of Corporation, Partnership or other organization)

Steve Jean

(Authorized Signatory)

Dated the 23 day of JANUARY, 20 15

CFD

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

Date:

Postmarked _____

Received _____

Reviewed _____

Calculations _____

Documentation _____

Forward Copy _____

Exceptions _____

Other pertinent information _____

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/2014
and ending 12/31/2014

Eliminate cents

\$ 5,866,940

Item No.

1a. Total revenue (FOCUS line 12 Part IIA Line 9, Code 4030)

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act)
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C).

(Deductions in excess of \$100,000 require documentation)

(9. (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4035 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 269,520

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ _____

Enter the greater of line (i) or (ii)

Total deductions

269,520

921,761

\$ 4,945,179

2d. SIPC Net Operating Revenues:

2e. General Assessment (a-0025)

\$ 12,363

(to page 1, line 2.A.)



4600 Park Road, Suite 112
Charlotte, NC 28209
704 372-1167
704 377-3259 fax
scharfpera.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Managing Members
First Ballantyne, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) First Ballantyne, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which First Ballantyne, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: 15c3-3(k)(2)(ii) (the "exemption provisions") and (2) First Ballantyne, LLC stated that First Ballantyne, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. First Ballantyne, LLC's management is responsible for compliance with the exemption provisions and its statements.

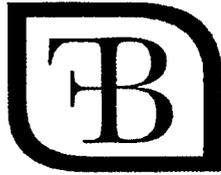
Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about First Ballantyne, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

SCHARF PERA & CO., PLLC

Charlotte, North Carolina

February 19, 2015



FIRSTBALLANTYNE
FIXED INCOME SECURITIES

February 3, 2015

Re: Securities Exchange Act
Rule 17a-5(d)(4)
Exemption Report

First Ballantyne, LLC makes the following declarations as of December 31, 2014:

- First Ballantyne, LLC is exempt from the requirements of SEA Rule 240.15c3-3
- The above exemption is claimed based on the provisions of SEA Rule 240.15c3-3(k)(2)(ii). All customer transactions clear through another broker-dealer (Sterne Agee Clearing Inc) on a fully disclosed basis.
- First Ballantyne, LLC met the exemption provisions described above throughout the most recent fiscal year without exception.

Steve Team

CFO

First Ballantyne, LLC

13950 Ballantyne Corporate Place
Charlotte, NC 28277