



JG

SE

16002097

ON

Washington, D.C. 20549

SEC
Mail Processing
Section

ANNUAL AUDITED REPORT

MAR 30 2016

FORM X-17A-5

PART III



Washington DC
409

FACING PAGE

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

SEC FILE NUMBER
8-68831

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 **1/1/15** AND ENDING **12/31/15**
mm/dd/yy mm/dd/yy

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Fog Equities, LLC**

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

440 South La Salle Street, Suite 845

(No. and Street)

Chicago

Illinois

60605

(City)

(State)

(Zip Code)

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

George Gasparini

415-544-9100

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst Wintter & Associates LLP

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

675 Ygnacio Valley Road, Suite A200

Walnut Creek

California

94596

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1410 (06-02)

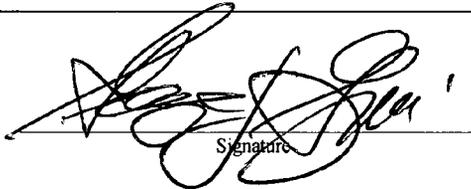
AWB

OATH OR AFFIRMATION

I, **George Gasparini**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of, as of **December 31, 2015**, 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:

NONE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


Signature

State of California, County of San Francisco
Subscribed and sworn to before me this 21st
Day of March, 2016, by
George J. Gasparini
proved to me on
the basis of satisfactory evidence to be the
person who appeared before me.

Managing Member
Title



Notary Public, California
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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 Requirement 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).

FOG Equities, LLC

December 31, 2015

Table of Contents

Report of Independent Registered Public Accounting Firm	1
Statement of Financial Condition	2
Notes to the Financial Statement	3

675 Ygnacio Valley Road, Suite A200
Walnut Creek, CA 94596

(925) 933-2626
Fax (925) 944-6333

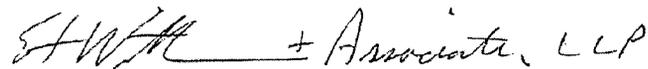
Report of Independent Registered Public Accounting Firm

To the Members
Fog Equities, LLC

We have audited the accompanying statement of financial condition of Fog Equities, LLC (the "Company") as of December 31, 2015, and the related notes to the financial statement. This financial statement is the responsibility of the Company's management. 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position. An audit also includes 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 position of Fog Equities, LLC as of December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

 + Associates, LLP

Walnut Creek, California
March 28, 2016

Fog Equities, LLC

Statement of Financial Condition

December 31, 2015

Assets	
Cash	\$ 169,180
Deposit with clearing broker	100,000
Due from clearing broker	13,521
Commissions receivable, net of \$13,000 allowance	210,298
Prepaid expenses and other assets	29,673
Total Assets	\$ 522,672

Liabilities and Members' Equity	
Liabilities	
Accounts payable and accrued expenses	\$ 193,589
Commissions payable	36,048
Due to affiliate	3,620
Total Liabilities	\$ 233,257
Members' Equity	289,415
Total Liabilities and Members' Equity	\$ 522,672

See accompanying notes.

FOG Equities, LLC

Notes to Financial Statement

December 31, 2015

1. Organization

Fog Equities, LLC (the "Company") was formed as a limited liability company on December 2, 2010. The Company is registered as a broker-dealer with the Securities and Exchange Commission pursuant to Section 15c of the Securities Exchange Act of 1934 and became a principal on the Chicago Stock Exchange as of June 27, 2011. On June 10, 2013, the company became a member of the Financial Industry Regulatory Authority ("FINRA"). The Company's primary business is that of a securities broker-dealer providing services to institutional customers.

2. Significant Accounting Policies

Basis of Accounting

The financial Statements have been prepared on the accrual basis in accordance with Accounting Principles generally accepted in the United States.

Accounts Receivable

The Company's receivables are due from various broker dealers under contractual agreements. Management reviews accounts receivable based on an analysis of each customer and establishes an allowance where collectability of all or part of a receivable becomes impaired.

Commission Revenue

Commissions are recorded on a trade date basis as securities transactions occur.

Exchange Rebates

Rebates are earned on trade volume executed on the Chicago Stock Exchange and are earned on a trade date basis.

Use of Estimates

The preparation of 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments approximate the carrying values of such amounts.

Income Taxes

The Company, a limited liability company, is taxed as a partnership under the Internal Revenue Code and a similar state statute. In lieu of income taxes, the Company passes 100% of its taxable income and expenses to its members. Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company is no longer subject to examinations by major tax jurisdictions for years before 2011.

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 Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At December 31, 2015, the Company's net capital was \$112,150 which exceeded the requirement by \$96,600.

FOG Equities, LLC

Notes to Financial Statement

December 31, 2015

4. Risk Concentration

The Company's cash consists of cash held at a financial institution where it may, at times, exceed government insurance limits during the year. At December 31, 2015 the Company had no uninsured cash balance.

5. Deposit with Clearing Organization

The Company's clearing organization, Wedbush Securities Incorporated, requires that it maintain at least \$100,000 in deposits.

6. Financial Instruments with Off-Balance-Sheet Credit Risk

As a securities broker, the Company executes transactions with and on the behalf of customers. The Company introduces these transactions for clearance to a clearing firm on a fully disclosed basis. In the normal course of business, the Company's customer activities involve the execution of securities transactions and settlement by its clearing broker. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to nonperformance by its customers. These activities may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at the prevailing market price in order to fulfill the customer's obligation. The Company seeks to control off-the-balance-sheet credit risk by monitoring its customer transaction and reviewing information it receives from its clearing broker on a daily basis and reserving for doubtful accounts when necessary.

7. Related Party Transactions

On January 1, 2015, the Company entered into an 'expense sharing agreement' with Casey Securities, LLC ("Securities"), a company under common control, in which Securities provides administrative support in exchange for a monthly fee of \$1,210. On September 1, 2015, the agreement was updated and the monthly fee was decreased to \$1,000. During the year ended December 31, 2015, the Company expensed \$13,680 under the expense sharing agreement of which \$10,680 was paid to Securities. At December 31, 2015 the Company owed \$3,620 to Securities.

The Company provides execution services for New Albion Partners, LLC (NAP), a company under common control. During the year ended December 31, 2015, the Company earned fees of \$16,579, of which \$15,721 was received from NAP. At December 31, 2015, the Company was due \$858 from NAP.

The Company's results of operations and financial position could differ significantly from those that would have been obtained if the entities were autonomous.

8. Contingency

As a result of a routine FINRA exam in 2015, the Company has accrued a \$60,000 fine for a rule violation which is included in accounts payable and accrued expenses.

9. Subsequent Events

The Company has evaluated subsequent events through March 28, 2016, the date which the financial statements were issued.