

PUBLIC



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

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ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

Washington DC

40 FACING PAGE

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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 01/01/2015 AND ENDING 12/31/2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: LOCALSTAKE MARKETPLACE, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

1010 CENTRAL AVE - SUITE C

(No. and Street)

INDIANAPOLIS, IN 46202

(City)

(State)

(Zip Code)

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

Robert Campbell 646-688-4444 x311

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

SHEDJAMA, INC - dba EDWARD OPPERMAN, CPA

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

1901 KOSSUTH STREET - LAFAYETTE, IN 47905

(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 240.17a-5(e)(2)

SEC 1410 (06-02)

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.

JG

OATH OR AFFIRMATION

I, RYAN FLYNN, 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, 20 15, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten Signature]*

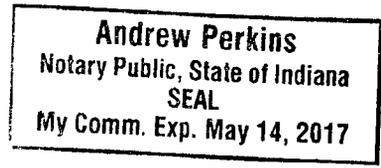
Signature

MANAGING MEMBER

Title

*[Handwritten Signature]*

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.
- (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).

**LOCALSTAKE MARKETPLACE, LLC  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**



**EDWARD OPPERMAN, CPA  
CERTIFIED PUBLIC ACCOUNTANT**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Members of  
**LOCALSTAKE MARKETPLACE, LLC**  
Indianapolis, Indiana

### Report on the Financial Statements

We have audited the accompanying financial statements of **LOCALSTAKE MARKETPLACE, LLC** an Indiana limited liability company, which comprise the statement of financial condition as of **December 31, 2015**, and the related statements of income, changes in shareholder's equity, changes in liabilities subordinated to claims of general creditors, 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 from 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 **LOCALSTAKE MARKETPLACE, LLC** as of **December 31, 2015**, 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.

SHEDJAMA, INC.  
dba EDWARD OPPERMAN, CPA  
LAFAYETTE, INDIANA  
FEBRUARY 17, 2016

**LOCALSTAKE MARKPETPLACE, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2015**

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	<u>2015</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 31,004
Accounts receivable	<u>13,677</u>
<b>TOTAL ASSETS</b>	<u>\$ 44,681</u>
<b>LIABILITIES</b>	
Accounts payable	<u>19,497</u>
<b>TOTAL LIABILITIES</b>	19,497
<b>MEMBER'S EQUITY</b>	
Member's equity	25,184
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u>\$ 44,681</u>

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**LOCALSTAKE MARKETPLACE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2015**

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**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Firm's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations—LOCALSTAKE MARKETPLACE, LLC, an Indiana limited liability company (the Firm), was formed IN Indianapolis, Indiana during 2011. During 2012, the Firm registered as a limited corporate securities broker-dealer firm with the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission (SEC) and various states with the United States.

The firm receives success fess and transaction fees in conjunction with private investment opportunities offered through a locally focused, online system. The system is designed to connect businesses seeking to raise capital (the Issuers) with accredited and non-accredited U.S. individual and institutional investors. The Firm does not require the services of a clearing firm in order to conduct its business. Accordingly, the Firm operates under the exemptive provision of the SEC Rule 15-3-3(k)(2)(i).

These financial statements contain only the assets, liabilities, revenues and expenses specifically related to the business activities of the Firm. They do not include the assets liabilities, revenues or expenses of the individual members.

The Firm's duration shall be perpetual, unless dissolved in accordance with the operating agreement.

- b. Cash and Cash Equivalents—For purposes of the statements of cash flows, the Firm considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. There were no cash equivalents as of December 31, 2015.
- c. Use of Estimates—The preparation of financial statements in conformity 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- d. Concentrations of Credit Risk—The Firm places its cash in accounts with a local financial institution. At times, such accounts may be in excess of FDIC insured limits. The Firm did not have amounts in excess of insured limits during the current year ended December 31, 2015.
- e. Accounts Receivable—Accounts Receivable consists of fees and other amounts owed to the Firm. The Firm, on a periodic basis evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on history of past write-offs and collections and current credit conditions. The Firm considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts currently is provided. Uncollectible accounts receivable are charges directly against operations when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.
- f. Basis of Presentation and Method of Accounting—The Firm's financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"), and presented on the accrual basis method of accounting.
- g. Revenue Recognition—Fee revenue includes recurring professional services that are paid for the duration of the engagement, and success fees earned on completed mergers and acquisition transactions. Professional service revenues are recorded at the time services are performed, while success fees are recorded when the transaction is completed and the income is reasonably determinable.

**LOCALSTAKE MARKETPLACE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2015**

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**NOTE 2: FAIR VALUE MEASUREMENTS**

The Firm values its cash and cash equivalents at fair value, based on the Level 1 hierarchy established by ASC 820, Fair Value Measurements and disclosures.

**NOTE 3: INCOME TAX EXPENSE**

As a limited liability company, the Firm is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Firm. The single member owner is taxed individually on its share of the Firm's earnings. The Firm is subject to certain state taxes; however no provision for state income taxes is required at December 31, 2015.

Accounting principles generally accepted in the United States of American require the Firm to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next twelve months or that would not sustain an examination by applicable taxing authorities.

The Firm's policy is to recognize penalties and interest as incurred in its Statement of Income, there were none for the years ended December 31, 2015.

The Firm's federal and state income tax returns from 2012 through 2015 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date, or from the date the returns were filed, whichever is later.

**NOTE 4: STATEMENTS OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

For the year ended December 31, 2015, the Firm did not have any subordinated liabilities subject to claims of general creditors. Therefore, no statements have been prepared.

**NOTE 5: UNCERTAINTY IN INCOME TAXES**

The Firm adopted the provisions of FASB ASC Topic 605, "Accounting for Uncertainty in Income Taxes". Benefits from tax positions are recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. Recognized income tax positions are measured at the largest amount that has a greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Based on its current evaluation, the Firm has concluded that there are no significant uncertain tax positions requiring recognition in the Firm's financial statements.

**NOTE 6: NET CAPITAL REQUIREMENTS**

The Firm is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital balance. The Firm is required to maintain net capital equal to the greater of \$5,000 or 6-2/3% of the aggregate indebtedness, as these terms are defined under the rule. At December 31, 2015, the Firm's net capital was \$11,507 which was \$6,507 in excess of its minimum net capital requirement. There is no difference between this computation of net capital pursuant to Rule 15c3-1 and the corresponding computation prepared by the Firm and included in the unaudited Part II of Form X-17a-5 as of December 31, 2015.

**LOCALSTAKE MARKETPLACE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2015**

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**NOTE 8: RELATED PARTY TRANSACTIONS**

The Firm is wholly owned by Localstake, LLC (the Parent). Effective February 3, 2012, the Firm and Parent entered into an expense sharing agreement which allocated a percentage of shared operating expenses to the Firm, and expenditures were \$68,172 for the year ended December 21, 2015. In addition the Firm had an outstanding payable due to the Parent of \$16,622 at December 31, 2015.

The Parent also wholly owns Stake Management, LLC (Stake). The Firm has an indefinite lived agreement in place with Stake requiring monthly payments of \$500 per month for the right to use Stake's investor platform software, and expenditures were \$6,000 for the year ended December 31, 2015.

**NOTE 9: SUBSEQUENT EVENTS**

The Firm has evaluated subsequent events through the date of this report, the date on which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the related notes to the financial statements.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

THE MEMBERS OF  
LOCALSTAKE MARKETPLACE, LLC  
INDIANAPOLIS, INDIANA

We have examined LOCALSTAKE MARKETPLACE, LLC's statements, included in the accompanying Exemption Report, that (1) LOCALSTAKE MARKETPLACE, LLC's internal control over compliance was effective during the most recent fiscal year ended DECEMBER 31, 2015; (2) LOCALSTAKE MARKETPLACE, LLC's internal control over compliance was effective as of DECEMBER 31, 2015; (3) LOCALSTAKE MARKETPLACE, LLC was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of January 20, 2014; and (4) the information used to state that LOCALSTAKE MARKETPLACE, LLC was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) was derived from LOCALSTAKE MARKETPLACE, LLC's books and records. LOCALSTAKE MARKETPLACE, LLC's management is responsible for establishing and maintaining a system of internal control over compliance that has the objective of providing LOCALSTAKE MARKETPLACE, LLC with reasonable assurance that non-compliance with 17 C.F.R. § 240.15c3-1, 17 C.F.R. § 240.15c3-3, 17 C.F.R. § 240.17a-13, that requires account statements to be sent to the customers of LOCALSTAKE MARKETPLACE, LLC will be prevented or detected on a timely basis. Our responsibility is to express an opinion on LOCALSTAKE MARKETPLACE, LLC's statements based on our examination.

We conducted our examination in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether LOCALSTAKE MARKETPLACE, LLC's internal control over compliance was effective as of and during the most recent fiscal year ended DECEMBER 31, 2015; LOCALSTAKE MARKETPLACE, LLC complied with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of DECEMBER 31, 2015; and the information used to assert compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of DECEMBER 31, 2015 was as derived from LOCALSTAKE MARKETPLACE, LLC's books and records. Our examination includes testing and evaluating the design and operating effectiveness of internal control over compliance, testing and evaluating LOCALSTAKE MARKETPLACE, LLC's compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e), determining whether the information used to assert compliance with 240.15c3-1 and 240.15c3-3(e) was derived from LOCALSTAKE MARKETPLACE, LLC's books and records, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, LOCALSTAKE MARKETPLACE, LLC's statements referred to above are fairly stated, in all material respects.

Sincerely,

**SHEDJAMA, INC.**  
**dba EDWARD OPPERMAN, CPA**  
**1901 KOSSUTH STREET**  
**LAFAYETTE, IN**  
**FEBRUARY 17, 2016**