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

SEC  
Mail Processing  
Section

SEC FILE NUMBER
8-69147

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

MAR 02 2017  
Washington DC  
416

REPORT FOR THE PERIOD BEGINNING 01/01/2016 AND ENDING 12/31/2016  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Falcon Square Capital LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**3701 Lake Boone Trail, Suite 100, Raleigh, NC 27607**  
(No. and Street)

OFFICIAL USE ONLY
FIRM I.D. NO.

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Melissa Pendergrass, Managing Member 919 825 1534  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Batchelor Tillery & Roberts, LLP**

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

**3605 Glenwood Avenue, Suite 350 Raleigh NC 27612**  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- 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)

OATH OR AFFIRMATION

I, Melissa Pendergrass, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Falcon Square Capital LLC, as of December 31, 2016, 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 of Melissa Pendergrass

Signature

Managing Member Title

Handwritten signature of Adrienne Wilkerson

Notary Public

Adrienne Wilkerson



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).

**FALCON SQUARE CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2016**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 337,298
Receivables from clearing organization	367,019
Other receivables	-
Prepaid expenses	46,883
Other assets - soft dollar	452,862
Total current assets	<u>1,204,062</u>
Fixed assets:	
Furniture and equipment	56,107
Less: accumulated depreciation	15,268
Net fixed assets	<u>40,839</u>
Other assets:	
Deposits with clearing organization	131,218
Security deposit	7,037
Total other assets	<u>138,255</u>
Total assets	<u>\$ 1,383,156</u>

**LIABILITIES AND MEMBERS' EQUITY**

Current liabilities:	
Commissions payable	\$ 258,195
Accounts payable	14,417
Other liabilities - soft dollar	452,428
Total liabilities	<u>725,040</u>
Members' equity	<u>658,116</u>
Total liabilities and members' equity	<u>\$ 1,383,156</u>

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