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PART III

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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 1/1/18 AND ENDING 12/31/18
mm/dd/yy mm/dd/yy

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Stinson Securities, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY

FIRM I.D. NO.

220 Sansome Street, Suite 1330
(No. and Street)

San Francisco California 94104
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Lonnie Odom 415-981-3345
(Area Code - Telephone Number)

SEC
Mail Processing
Section

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

DEC 2 0 2018

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

Washington DC

21860 Burbank Blvd, Suite 150 Woodland Hills CA 91367
(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).

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RMS

Dave Banerjee, CPA an Accountancy Corporation
21860 Burbank Blvd., Suite 150
Woodland Hills, CA 91367

December 9, 2019

Assertions Regarding Exemption Provisions

Stinson Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. 240.17a-5, "reports to be made by certain brokers and dealers"; "SEC"). This Exemption Report was prepared as required by C.F.R. 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, (k)(2)(ii).

Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision in C.F.R. 240.15c3-3(k) throughout the most recent fiscal year except as described below.

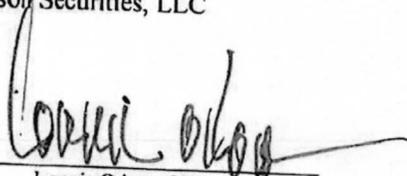
From August 8th, 2018 through August 10th, 2018 and subsequently from September 6th, 2018 through October 22nd, 2018 the Company did not maintain sufficient regulatory capital under SEA Rule 15c3-1(a) of \$100,000 to qualify as an underwriter.

On August 16th, 2018 the Company had Net Capital of \$84,514 which was \$15,486 below its requirement of \$100,000. On October 22nd, 2018 the Company had Net Capital of \$94,850 which was \$5,150 below its requirement of \$100,000. During this period until the date of issuance of the audit opinion of February 15, 2019 the firm did not engage in any securities transactions. Throughout the year the firm met the exemptive provision of SEA Rule of 15c3-3(k)(2)(ii) as a fully disclosed broker dealer and from August 8th, 2018 until February 15, 2019 did not engage in any securities business requiring a \$100,000 minimum Net Capital.

The Company notified the SEC and its Designated Examining Authority on August 16, 2018 and subsequently on October 22, 2018.

Stinson Securities, LLC

By:


Lonnie Odom, CEO

Stinson Securities, LLC

Annual Audit Report

December 31, 2018

Stinson Securities, LLC

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DAVE BANERJEE, CPA

An Accountancy Corporation – Member AICPA and PCAOB

21860 Burbank Blvd., Suite 150, Woodland Hills, CA 91367 • (818) 657-0288 • FAX (818) 657-0299 • (818) 312-3283

Report of Independent Registered Public Accounting Firm

To the members of Stinson Securities, LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Stinson Securities, LLC (the "Company") as of December 31, 2018, the related statement of operation, changes in member's equity and cash flows, for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Stinson Securities, LLC management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

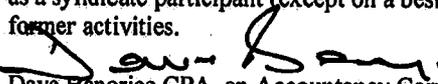
We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company'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 17 C.F.R. § 240.17a-5. Except for the computation of Net Capital, amended on December 9, 2019 to conform with the minimum net capital of \$100,000 per the Company's membership agreement with FINRA, in our opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Critical Audit Matter. Going Concern

At December 31, 2018 and as of the date of issuance of the audit opinion on February 15, 2019, the Company has not met its regulatory capital requirement under SEA Rule 240.15c3-1, to continue its activities as an underwriter or as a syndicate participant (except on a best effort basis) Additional capital contribution is required to engage in the former activities.


Dave Banerjee CPA, an Accountancy Corporation
Woodland Hills, California

We have served as the Company's auditor since 2018
February 15, 2019 and December 9, 2019

Stinson Securities, LLC

STINSON SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
December 31, 2018

ASSETS

Cash	\$ 147,113
Prepaid and other assets	<u>2,194</u>
 Total assets	 <u><u>\$ 149,307</u></u>

LIABILITIES AND MEMBER'S CAPITAL

Liabilities:

Accounts payable and accrued liabilities	\$ 44,190
Income taxes payable	1,305
Lines of credit payable	<u>24,048</u>
 Total liabilities	 69,543
 Member's Equity	 <u>79,764</u>
 Total liabilities and member's equity	 <u><u>\$ 149,307</u></u>

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC

STINSON SECURITIES, LLC

STATEMENT OF OPERATIONS

for the year ended December 31, 2018

Revenue	
Underwriting Fees	\$ 50,365
Interest and other income	1,034
Total Revenue	<u>51,399</u>
Expenses	
Commissions	\$ 36,060
Information Service Fees	25,530
Professional fees	16,680
Underwriting expenses	3,470
Communication and data processing	11,268
Interest expense	7,780
Clearing fees	29,500
Occupancy expense	37,624
Operating expenses	<u>67,460</u>
Total Expenses	235,372
Net Loss	<u><u>\$ (183,973)</u></u>

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC

STINSON SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

for the year ended December 31, 2018

	Common Stock	Preferred Stock	Preferred Stock, Class C	Retained Earnings	Total
Balance, January 1, 2018	\$1	\$155,000	\$159,000	\$(118,264)	\$195,737
Capital Contributions				68,000	68,000
Net Loss				(183,973)	(183,973)
Balance, December 31, 2018	\$1	\$155,000	\$159,000	\$(234,237)	\$79,764

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC

STINSON SECURITIES, LLC

STATEMENT OF CASH FLOWS

for the year ended December 31, 2018

Cash flows from operating activities:	
Net loss	\$ (183,973)
Change in operating assets and liabilities:	
Prepaid and other assets	(158)
Commissions receivable	259,950
Accounts payable and accrued expenses	(3,560)
Commission payable	(2,000)
Taxes payable	(6,714)
Line of credit payable	5,144
	<hr/>
Net cash provided by operating activities	68,689
Cash flows from investing activities	
Cash flows from financing activities:	
Contributions	<hr/> 68,000
	<hr/>
Net cash provided by financing activities	68,000
	<hr/>
Net increase in cash	136,689
	<hr/>
Cash, beginning of year	10,424
	<hr/>
Cash, end of year	<u><u>\$ 147,113</u></u>
Supplemental information:	
LLC fees paid	<u><u>\$ 7,114</u></u>

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC

Notes to the Financial Statements

December 31, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed Stinson Securities, LLC (the Company) and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

The Company) was formed as a California Limited Liability Company in July 19, 2001. The National Association of Securities Dealers, Inc. (NASD) approved the Company's application to provide broker-dealer services for the sale of corporate equity and debt securities, U.S. government and municipal securities, mutual funds and variable life insurance products. The Company has adopted a calendar year.

Description of Business

The Company, located in San Francisco, CA is a broker-dealer in securities registered with the Securities and Exchanges Commission ("SEC") and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(ii), which provides "All customers transactions are cleared through another broker-dealer on a fully disclosed basis." The Company participates in municipal and corporate debt securities underwriting, and brokers U.S. government municipal and corporate debt securities, and the sale of private placements of securities.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update "(ASU") 2014-09, Revenue from Contracts with Customers: Topic 606, to supersede nearly all existing revenue recognition guidance under GAAP. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date, which deferred the effective date for implementation of ASU 2014-09 by one year and is now effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted but not earlier than the original effective date. ASU 2014-09 also requires new qualitative and quantitative disclosures, including disaggregation of revenues and descriptions of performance obligations. The new standard is in effect for fiscal years beginning July 1, 2018, and interim periods therein, using the modified retrospective method. The Company has performed an assessment of its revenue contracts as well as worked with industry participants on matters of interpretation and application and has not identified any material changes to the timing or amount of its revenue recognition under ASU 2014-09. The Company's accounting policies did not change materially as a result of applying the principles of revenue recognition from ASU-2014-09 and are largely consistent with existing guidance and current practices applied by the Company.

Stinson Securities, LLC

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Recognition of Bad Debt

The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

A. Significant accounting policy

Revenue is measured based on a consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

B. Nature of services

The Company applied Topic 606 under the cumulative effect method – i.e. by recognizing the cumulative effect if initially applying Topic 606 as an adjustment to the opening balance of equity at January 1, 2018. There were no adjustments necessary.

Revenue from contracts equal to twelve months or less in duration is recognized upon termination, completion and acceptance by the customer and when the collectability of the related receivable is reasonably assured.

The Company underwrites municipal bond offerings by contracting to purchase and then sell offerings on a best effort basis. Commission revenues are recorded by the Company on the trade date reported by the clearing broker with whom it does business. The difference between the price paid and the issue price, the gross underwriting spread, is recognized as underwriting income on the trade date of the sale.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company's cash and cash equivalents are held at high credit quality financial institutions.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at an amount that approximates fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Stinson Securities, LLC

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of comprehensive income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2018, the Company did not have any components of comprehensive income to report.

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 and disclosure of contingent 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.

Income Taxes

For federal income tax purposes, Stinson Securities, LLC, a limited liability company has elected to be taxed as partnership. Federal and state income tax statutes require that the income or loss of the LLC be included in the tax returns of the individual members. Management believes there are no uncertain tax positions.

Concentrations

The Company has revenue concentrations; the company specializes in sales of municipal and corporate debt securities underwriting, U.S. government municipal and corporate debt securities.

Subsequent Event

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 19, 2019, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

NOTE B – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

From August 8th, 2018 through August 10th, 2018 and subsequently from September 6th, 2018 through October 22nd, 2018 and extended until February 15th, 2019 (date of the audit opinion), the Company did not maintain sufficient regulatory net capital under SEA Rule 15c3-1(a) of \$100,000 to qualify as an underwriter. On August 16, 2018 the Company maintained net capital of \$84,514 which was \$15,486 below its minimum of \$100,000. On October 22nd, 2018, the Company had net capital of \$94,850 which was \$5,150 below its requirement of \$100,000.

During this period until the date of issuance of the audit provision of February 15, 2019, the Company did not engage in any securities transactions. Throughout the year, except from January 1, 2018 through August

Stinson Securities, LLC

7th, 2018, the firm met the exemptive provision of SEA Rule 15c3-3(k)(2)(ii) as a fully disclosed Broker Dealer and did not engage in any securities business, have customer accounts or funds in its possession and conduct any underwriting or syndicate business during the period the firm was deficient in net capital.

The Company notified the SEC and its Designated Examining Authority on August 16th, 2018 and subsequently on October 22nd, 2018.

The deficiency was corrected on April 10, 2019 with a \$50,000 capital contribution.

NOTE C – POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c-3-3(k)(ii).

NOTE D – CAPITALIZATION AND DISTRIBUTION

The Company has three classes of members. Class B members have priority over Class A and Class C members with the respect to return of capital and distributions. Class B members are entitled to distributions of 1% of gross revenue for every \$10,000 invested as capital. Class C members are entitled to a distribution of .5% for each \$10,000 invested as capital. The Class A Members are entitled to the remaining profit or loss. A members' liability is equal to their respective capital contribution.

Under the Company's amended Operating Agreement, no Class C member is either required or permitted to make additional capital contributions.

NOTE E – RENT

The amount of rent for 2018 was \$37,624.

NOTE F – LINES OF CREDIT

The balance of the line of credit at December 31, 2018 was 24,048 and the interest rate was 12.25%.

NOTE G – OTHER COMMITMENTS AND CONTINGENCIES

The Company has a clearing agreement with its clearing broker-dealer which included an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2018, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

NOTE H – GOING CONCERN

The Company cannot engage in any underwriting, other than best efforts or in any syndicate business without the Company enabling its capital to meet the minimum and early warning provisions of SEA Rule 15c3-1. Management believes that additional capital is available from its members to meet such requirements in 2019.

Stinson Securities, LLC

SUPPLEMENTAL INFORMATION

STINSON SECURITIES, LLC

**COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT
TO RULE 15c3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

for the year ended December 31, 2018

Net capital:		
Total member's equity		\$ 79,764
Less: Non-allowable assets		
Prepaid and other assets		2,194
Total non-allowable assets		<u>2,194</u>
Net Capital		77,570
Aggregate indebtedness:		
Items included in statement of financial condition:		
Accounts payable and accrued liabilities	<u>\$ 69,543</u>	<u>\$ 69,543</u>
Total aggregate indebtedness (A.I.)		
Computation of basic net capital requirement, greater of: 100,000		
Minimum net capital required or 6-2/3% of A.I.		\$ 4,636
Minimum dollar requirement		<u>\$ 100,000</u>
Deficit net capital		<u>\$ (22,430)</u>
Net capital less greater of 10% of A.I. or 120% of minimum dollar requirement		<u>\$ 70,616</u>
Ratio: Aggregate indebtedness to net capital		<u>90%</u>

The net capital computation agrees to the Focus Report filed for December 31, 2018

The accompanying notes are an integral part of these financial statements

Stinson Securities, LLC

**Schedule II
Determination of Reserve Requirements
Under Rule 15C3-3 of the Securities and Exchange Commission**

The Company is exempt from the Reserve Requirement of computation according to provision of Rule 15c3-3(k)(2)(ii)

**Schedule III
Information Relation to Possession or Control
Requirements under the (k)(2)(ii) exemptive provision**

The Company is exempt from the Rule 15c3-3 as it relates to Possession and Control requirements under the (k)(2) (ii) exemptive provision.

**Schedule IV
Independent Accountant's Report on Applying Agreed-Upon Procedures
Related to an Entity's SIPC Assessment Reconciliation**

The Company is exempt from the Rule 17a-5(4) as it meets the minimum assessment as For in Section 4(d)(1) of The Securities Investor Protection Act of 1970, as amended.

The accompanying notes are an integral part of these financial statements



DAVE BANERJEE, CPA

An Accountancy Corporation -- Member AICPA and PCAOB

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Lonnie Odom, CEO
Stinson Securities, LLC

We have reviewed management's statements, included in the accompanying Stinson Securities, LLC Exemption Report in which (1) Stinson Securities, LLC, identified the following provisions of 17 C.F.R. §15c3-3(k) under which Stinson Securities, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provision") and (2) Company, stated that Stinson Securities, LLC met the identified exemption provision throughout the most recent fiscal year of 2018, except as described in its exemption report. Stinson Securities, LLC's management is responsible for compliance with the exemption provision 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 the Company's compliance with the exemption provision. 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.

Dave Banerjee CPA, an Accountancy Corporation
We have served as the Company's auditor since 2018
Woodland Hills, California
February 15, 2019