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**PART III**

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 01/01/2019 AND ENDING 12/31/2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Sutter Securities Clearing, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
6 Venture, Suite 395

(No. and Street)

Irvine

CA

92618

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Keith Moore, 949-295-1580

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Brian W. Anson

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

18401 Burbank Blvd., #120

Tarzana

California

91356

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

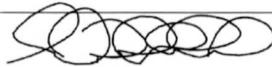
**FOR OFFICIAL USE ONLY**

\*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)

OATH OR AFFIRMATION

I, Keith Moore, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sutter Securities Clearing, LLC, as of December 31, 2019, 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

CEO

Title

\_\_\_\_\_  
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (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).

**ACKNOWLEDGMENT**

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.

State of California  
County of LOS ANGELES

On February 28 2020 before me, Christina Lasorda Notary public  
(insert name and title of the officer)

personally appeared Kieth Moore  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

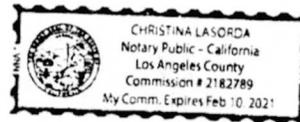
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



**Sutter Securities Clearing, LLC**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended December 31, 2019**

**BRIAN W. ANSON**

*Certified Public Accountant*

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member's and Board of Directors of Sutter Securities Clearing, LLC

### **Opinion on the Financial Statements**

I have audited the accompanying statement of financial condition of Sutter Securities Clearing, LLC as of December 31, 2019, the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of Sutter Securities Clearing, LLC as of December 31, 2019, 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.

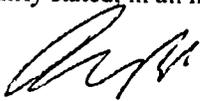
### **Basis for Opinion**

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

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

### **Auditor's Report on 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. My 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 my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson

Certified Public Accountant

I have served as Sutter Securities Clearing, LLC's auditor since 2017.

Tarzana, California

February 28, 2020

**Sutter Securities Clearing, LLC**  
**Statement of Financial Condition**  
**December 31, 2019**

Assets

Cash Unrestricted	\$ 571,840
Prepaid Expenses	17,090
Accounts Receivable	178
Advances	25,720
Total Assets	<u>\$ 614,828</u>

Liabilities and Members' Equity

Liabilities	
Accounts Payable and Accrued Expenses	\$ 34,241
Total Liabilities	<u>\$ 34,241</u>
Members' Equity	<u>580,587</u>
Total Liabilities and Members' Equity	<u>\$ 614,828</u>

See Accompanying Notes to Financial Statements

**Sutter Securities Clearing, LLC**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 1 – Organization and Nature of Business**

Sutter Securities Clearing, LLC (the “Company”), formerly known as Fintech Clearing, LLC and FlashFunders Securities, LLC was organized in the State of Delaware in 2005 and is registered with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Agency (“FINRA”) as a broker-dealer. The Company utilizes a web-based platform at [www.flashfunders.com](http://www.flashfunders.com) to conduct securities offerings pursuant to SEC Regulation A and Rule 506(c) of Regulation D. The Company is subject to SEC Rule 15c2-4 – Transmission or Maintenance of Payments Received in Connection with Underwritings and is permitted to hold customer funds in accounts as agent for the investors in issuer specific offerings. The Company receives fees from issuers for conducting the offerings.

**Note 2 – Significant Accounting Policies**

**Recently Issued Accounting Pronouncements** – The Company has reviewed the accounting standards updates issued by the FASB that were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year ending December 31, 2019. Based upon this review, the Company has implemented the pronouncements that require adoption as follows:

**ASC 606 Revenue Recognition**

**Revenue:**

*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 satisfied 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 following is a description of activities – separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)”; from which the Company generates its revenue. For more detailed information about reportable segments:

- Revenue from Underwriting and Selling Group participation: This includes revenue from underwritings and selling group participation in any capacity.
- Other revenue.

**Sutter Securities Clearing, LLC**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 2 – Significant Accounting Policies, Continued**

*C. Contract Balances and transaction price allocated to remaining performance obligations*

Due to the nature of the Company's business, changes in receivables, contract assets and contract liabilities with customers due to revenue recognized from performance obligations satisfied in previous periods were immaterial

**Basis of Presentation** – The Company conducts the following types of business as a securities broker-dealer, which comprises several classes of services, including:

- Private placements of securities, including the use of the [www.flashfunders.com](http://www.flashfunders.com) website;
- The carrying and clearing of customer funds in connection with such offerings; and
- Corporate finance and investment banking and advisory services.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

**Revenues** – The Company receives fees from issuers for conducting the offerings. Fees are typically a percentage of the offering proceeds received by the issuer and are recognized when received. The Company recognizes advisory fees when earned, usually after completion of the engagement or receipt of non-refundable fees in accordance with the terms of its engagement agreements.

**Income Taxes** - The Company, with consent of its Member, has elected to be a California Limited Liability Company. For tax purposes the Company is treated like a partnership, therefore in lieu of business income taxes, the Members are taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has a similar treatment, although there exists a provision for a gross receipts tax and a minimum Franchise Tax of \$800. The accompanying financial statements include an \$800 minimum franchise tax and \$900 limited liability company fee.

The accounting principles generally accepted in the United States of America provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organization tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities from 2015 to the present, generally for three years after they are filed.

**Sutter Securities Clearing, LLC**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 3 - Fair Value**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company’s own data.)

The following table presents the Company’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2019.

**Fair Value Measurements on a Recurring Basis**

	Level 1	Level 2	Level 3
<b>Assets</b>			
Listed & Other Equity Securities	<u>-</u>	<u>                    </u>	<u>-</u>
<b>Total</b>	<u><b>\$ -</b></u>	<u><b>\$</b></u>	<u><b>\$ -</b></u>

**Sutter Securities Clearing, LLC**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 4 - Concentration of Credit Risk**

The Company is engaged in various brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party. Three customers accounted for 39.5% of the Company's revenues during 2019.

**Note 5 – Net Capital Requirements**

The Company is subject to the SEC 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. The Company's minimum net capital requirement is the greater of 6 2/3rds of aggregated indebtedness or \$250,000. The Company's minimum net capital is calculated as \$250,000. At December 31, 2019, the Company had net capital of \$537,598 which was \$287,598 in excess of its required net capital of \$250,000. The Company's net capital ratio was 6.37 to 1.

**Note 6 – Operating Lease Commitments**

The Company leases office space in Irvine, California under month to month operating leases at the rate of approximately \$250 per month. There are no future minimum lease payments under these lease agreements. The Company's office lease expense totaled \$3,400 for the year ended December 31, 2019.

In February 2016, FASB Issued ASU 2016-02 (842) on leases. Under the new guidance lessees are required to recognize a lease liability and a right-to-use asset for all leases at the commencement date with the exception of short-term leases. ASU 2016-02 (842) is effective for annual an interim periods beginning after December 15, 2018 and early adoption is permitted. The Company is subject to this requirement in as much as it has an expense sharing agreement with affiliates.

**Note 7 - Litigation**

The Company is not involved in any litigation.

**Sutter Securities Clearing, LLC**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 8 – Subsequent Events**

The Company has evaluated events subsequent to the date of the balance sheet for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were issued. The Company has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

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## PUBLIC VERSION

SUTTER SECURITIES CLEARING, LLC

FINANCIAL STATEMENTS  
AND  
ACCOMPANYING SUPPLEMENTARY INFORMATION

REPORT PURSUANT TO SEC RULE 17a-5(d)

FOR THE YEAR ENDED  
DECEMBER 31, 2019