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ANNUAL REPORTS SEC Mail Processing
FORM X-17A-5
PART III

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Falcon Square Capital, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

3701 Lake Boone Trail, Suite 100

(No. and Street)

Raleigh

NC

27607

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Braxton Wall

919 285 1534

bwall@falconsquarecapital.com

(Name)

(Area Code - Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Batchelor Tillery & Roberts, LLP

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

3605 Glenwood Avenue, Suite 350 Raleigh

NC

27612

(Address)

(City)

(State)

(Zip Code)

2009

3675

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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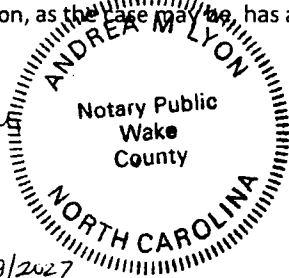
OATH OR AFFIRMATION

I, Braxton Wall, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Falcon Square Capital, LLC, as of 12/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Affirmed before me, Andrea M. Lyon,
notary public, by Braxton Craven Wall
on 2/28/2023 in Wake County, NC.

Andrea M. Lyon

Notary Public my commission expires 10/9/2027.



Signature: Braxton Wall

Title: Member

This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated 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 cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☒ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 18068

RALEIGH, NORTH CAROLINA 27619

**RONALD A. BATCHELOR
WM. JAMES BLACK, JR.
SCOTT E. CABANISS
MICHELLE W. LEMANSKI
JARED L. PILAND
DAVID C. CORN, JR.**

**3605 GLENWOOD AVENUE, SUITE 350
RALEIGH, NORTH CAROLINA 27612
TELEPHONE (919) 787-8212
FACSIMILE (919) 783-6724**

Report of Independent Registered Public Accounting Firm

The Members
Falcon Square Capital, LLC:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition for Falcon Square Capital, LLC (the "Company") as of December 31, 2022, and the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes and supplemental schedules (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, 2022, 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.

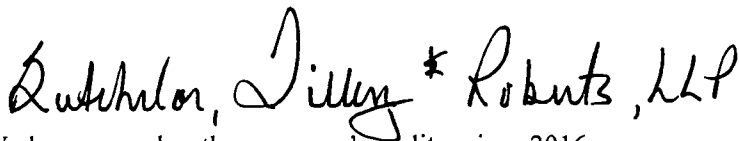
Basis for Opinion

These financial statements are the responsibility of the Company's 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 audit 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.

Auditors' Report on Supplemental Information

The supplemental information in schedules 1-3 has been subjected to audit procedures performed in conjunction with the audit of 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. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Dushkin, Jilly & Roberts, LLP". The signature is written in a cursive, flowing style.

We have served as the company's auditor since 2016.

Raleigh, North Carolina
February 24, 2023

FALCON SQUARE CAPITAL, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 3,465
Receivables from Clearing Organization	\$ 1,130,266
Other Assets - Soft dollar	\$ 121,795

Total Current Assets	\$ 1,255,526
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Fixed Assets

Operating Lease - Right to Use Asset	\$ 17,775
Furniture and Equipment	\$ 75,886
Less: Accumulated Depreciation	\$ (75,886)

Total Fixed Assets	\$ 17,775
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Other Assets

Deposits with Clearing Organizaiton	\$ 142,738
Prepaid Expenses	\$ 12,903
Security Deposit	\$ 7,038

Total Other Assets	\$ 162,679
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TOTAL ASSETS	\$ 1,435,980
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LIABILITIES & MEMBER'S EQUITY

Current Liabilities

Commissions Payable	\$ 284,136
Accounts Payable	\$ 52,574
Other Liabilities - Soft Dollar	\$ 117,516

Total Current Liabilities	\$ 454,226
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Long Term Liabilities

Operating Lease Liability	\$ 17,775
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Total Long Term Liabilities	\$ 17,775
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Total Liabilities	\$ 472,001
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Member's Equity	\$ 963,979
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TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 1,435,980
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The accompanying notes are an integral part of these financial statements.

FALCON SQUARE CAPITAL, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

Revenues

Commissions	\$ 6,760,145
Unrealized/Realized Gain	\$ (11,870)
Total Revenues	<u>\$ 6,748,275</u>

Expenses

Employee Compensation	\$ 5,053,303
Clearing Charges	\$ 360,748
Professional Fees	\$ 211,686
Rent and Lease Expense	\$ 72,000
Regulatory Expenses	\$ 57,152
Research Expenses	\$ 646,572
Insurance Expense	\$ 89,971
Meals and Entertainment	\$ 6,477
Computer and Internet Expenses	\$ 64,697
Advertising and Promotion	\$ 4,158
Interest Expense	\$ 375
Dues and Subscriptions	\$ 11,278
Office Supplies	\$ 14,667
Trade Error Execution	\$ 12,913
Taxes	\$ 462
Travel	\$ 217
Bank Service Charges	\$ 2,712
Miscellaneous Expense	\$ 39
Total Expenses	<u>\$ 6,609,427</u>

Other Income (Expense)

Interest Income	\$ 3,692
Other Income	\$ 167
Total Other Income (Expense)	<u>\$ 3,859</u>

Net Income	<u><u>\$ 142,707</u></u>
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The accompanying notes are an integral part of these financial statements.

FALCON SQUARE CAPITAL, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

Member's Equity, January 1, 2022	\$	821,272
Net Member Contributions for 2022	\$	-
Net Income for 2022	\$	142,707
Member's Equity, December 31, 2022	\$	<u>963,979</u>

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

FALCON SQUARE CAPITAL, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities:

Net Income	\$ 142,707
Adjustments to Reconcile Net Income to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	\$ -
Cash Flows from Changes In:	
Receivables from Clearing Organization	\$ (524,786)
Prepaid Expenses	\$ 26,925
Other Assets - Soft Dollars	\$ 29,717
Security Deposit	\$ -
Commissions Payable	\$ (72,187)
Accounts Payable	\$ 18,769
Other Liabilities - Soft Dollar	\$ (30,342)
Net Cash Used by Operating Activities	\$ (409,197)

Cash Flows from Investing Activities

Purchases of Furniture and Equipment	\$ -
Deposit to Clearing Organization	\$ 245,902
Net Cash Used by Investing Activities	\$ 245,902

Cash Flows from Financing Activities

Member Contributions	\$ -
Net Cash Provided by Financing Activities	\$ -

Net Decrease in Cash and Cash Equivalents **\$ (163,295)**

Cash and Cash Equivalents, Beginning of the Year **\$ 166,760**

Cash and Cash Equivalents, End of the Year **\$ 3,465**

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

FALCON SQUARE CAPITAL, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Falcon Square Capital, LLC (the “Company”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and member of the Financial Industry Regulatory Authority (“FINRA”) and the Municipal Securities Rulemaking Board (“MSRB”). It is exempt from the provisions of SEC Rule 15c3-3 under Section(k)(2)(ii) of that same rule. The Company was incorporated in North Carolina on April 2, 2012 and granted membership to FINRA and MSRB in March 2013.

Basis of Presentation

The financial statements were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities at the date of purchase or the date of the financial statement of less than ninety days, which are not held for sale in the ordinary course of business.

Use of Estimates

The preparation of the Company’s 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The Company has adopted the provisions of FASB ASC 740-10-25 *Accounting for Uncertainty in Income Taxes*. Under the provision, the Company must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation had no impact on the Company’s financial statements. The Company does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax years in progress. The Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of December 31, 2022. As a limited liability corporation, the tax consequences of the Company’s operations all pass through to the members. Accordingly, the Company’s financial statements do not include a provision for income taxes.

Receivables

The Company uses the allowance method to determine uncollectible accounts based on an analysis of expected collection rates determined from past history. Management believes that all accounts receivables are collectible as of December 31, 2022. Therefore, no allowance for doubtful accounts has been recorded.

FALCON SQUARE CAPITAL, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Soft Dollar

The Company ensures that any soft dollar arrangement with customers fall within the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934 (Section 28(e), as amended, which provides for the payment of research, brokerages, quote services and other expenses permissible by Section 28(e)).

Fixed Assets and Depreciation

Fixed assets are stated at cost. Depreciation is computed for financial statement purposes using the straight-line method, over the estimated useful lives of the related assets as follows:

Furniture	5 years
Equipment	5 years

Advertising

The Company expenses advertising production costs as they are incurred, and advertising communication costs the first time the advertising takes place. The advertising and promotion expenses for the year ended December 31, 2022 were \$4,158.

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update ("ASU" No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), a comprehensive new revenue recognition standard that superseded nearly all existing revenue recognition guidance. The objective of ASU 2014-09 is for a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted the new revenue recognition standard using the modified retrospective method on January 1, 2019. As a result of adoption, there was no cumulative impact to Company's member's capital as of January 1, 2019 and no impact to revenue for the year ended December 31, 2022.

NOTE 2 – REVENUE RECOGNITION

All revenue recognized on the Statement of Income is considered to be revenue from contracts with customers. The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2021.

Performance obligations satisfied over time	\$ 0
Performance obligations satisfied at a point in time	\$ <u>6,760,145</u>
Total Revenue	\$ <u><u>6,760,145</u></u>

The following table depicts the disaggregation of the various types of revenue generated by the Company:

Commissions/fees on fixed income securities transactions and underwritings	\$ <u>6,760,145</u>
Total Revenue	\$ <u><u>6,760,145</u></u>

FALCON SQUARE CAPITAL, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Company maintains cash balances at a national bank. The cash balances at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. FASB ASC 825, *Financial Instruments*, identifies these items as a concentration of credit risk requiring disclosure, regardless of risk. The Company's cash balances were fully insured as of December 31, 2022 in all accounts.

NOTE 4 – LEASES

Effective January 1, 2021, the Company adopted Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASUM 2016-02" or "ASC 842"), using the modified retrospective method and utilized the effective date as its date of initial application. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as right of use assets and current and non-current lease liabilities, as applicable.

Operating lease liabilities and their corresponding right of use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the right of use asset may be required for items such as incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. Prospectively, the Company will adjust the right of use assets for straight-line rent expense or any incentives received and remeasure the lease liability at the net present value using the same incremental borrowing rate that was in effect as of the lease commencement or transition date. The Company does not have and has elected to not to recognize leases with an original term of one year or less on the statement of financial condition. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew.

Assumptions made by the Company at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as the new lease.

Adoption of this standard resulted in the recording of operating lease liabilities and right to use assets of \$81,432 on the Company's statement of financial condition effective date. The adoption of the standard did not have a material effect on the Company's statement of income, statement of changes in shareholder's equity, or statement of cash flows.

The Company leases office space under a lease agreement in Raleigh, North Carolina beginning January 1, 2016 and expiring on February 28, 2023. Minimum lease payments were \$13,800 from January 1, 2016 – July 31, 2018 and \$8,800 from August 1, 2018 – December 31, 2019 and are \$6,000 from January 1, 2020 – February 28, 2023.

FALCON SQUARE CAPITAL, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission 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 not to exceed 15 to 1. At December 31, 2022 the Company had excess net capital of \$840,287. The Company's required minimum net capital is \$100,000. At December 31, 2022, the Company's ratio of aggregate indebtedness to net capital was 48.31%.

NOTE 6 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through February 24, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

FALCON SQUARE CAPITAL, LLC
COMPUTATION OF NET CAPITAL PURSUANT TO SEC RULE 15c3-1
FOR THE YEAR ENDED DECEMBER 31, 2022

Computation of Net Capital

Total Member's Equity	\$ 963,980
Deductions and/or Changes	
Non-Allowable Assets:	
Prepaid Expenses	\$ 12,903
Furniture and Equipment	\$ -
Security Deposit	\$ 7,038
Net Capital Before Haircuts on Securities Positions	\$ 944,039
Haircuts on Securities	
Other Securities	\$ 3,752
Net Capital	\$ 940,287

Computation of Basic Net Capital Requirements

Minimum Net Capital Required	
Calculation (6 2/3% of Aggregate Indebtedness)	\$ 30,282
Company Requirement	\$ 100,000
Net Capital Requirement (Greater of the Above)	\$ 100,000
Excess Net Capital	\$ 840,287
Net Capital Less Greater of 10% of Aggregate Indebtedness or 120% of Minimum Net Capital Requirement	\$ 820,287

Computation of Aggregate Indebtedness

Total Aggregate Indebtedness	\$ 454,225
Percent of Aggregate Indebtedness to Net Capital	48.31%

Net Capital Reconciliation

Net Capital as per the FOCUS Part IIA	\$ 940,287
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There are no material differences from the preceding computation and the Company's corresponding unaudited Part IIA of Form X-17A-5 as of December 31, 2022.

**FALCON SQUARE CAPITAL, LLC
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS PURSUANT TO SEC RULE 15c3-1
FOR THE YEAR ENDED DECEMBER 31, 2022**

The Company claims exemption from the requirements of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to Section (k)(2)(ii) of the Rule.

FALCON SQUARE CAPITAL, LLC
INFORMATION RELATING TO THE POSSESSION OR
CONROL REQUIREMENTS PURSUANT TO SEC RULE 15c3-1
FOR THE YEAR ENDED DECEMBER 31, 2022

The Company claims exemption from the requirements of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to Section (k)(2)(ii) of the Rule.

**FALCON SQUARE CAPITAL, LLC
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS PURSUANT TO SEC RULE 15c3-1
FOR THE YEAR ENDED DECEMBER 31, 2022**

The Company claims exemption from the requirements of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to Section (k)(2)(ii) of the Rule.

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 18068

RALEIGH, NORTH CAROLINA 27619

**RONALD A. BATCHELOR
WM. JAMES BLACK, JR.
SCOTT E. CABANISS
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**3605 GLENWOOD AVENUE, SUITE 350
RALEIGH, NORTH CAROLINA 27612
TELEPHONE (919) 787-8212
FACSIMILE (919) 783-6724**

**REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM ON
APPLYING AGREED-UPON PROCEDURES**

The Members


Falcon Square Capital, LLC:

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below and were agreed to by Falcon Square Capital, LLC and SIPC, solely to assist you and SIPC in evaluating Falcon Square Capital, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2022. Falcon Square Capital, LLC's management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
2. Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2022 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2022, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.


February 24, 2023

FALCON SQUARE CAPITAL, LLC

Schedule of Assessment and Payments

Year ended December 31, 2022

Assessment for December 31, 2022	\$ 9,587
Less:	
Payment July 29, 2022	(4,787)
Payment February 13, 2023	<u>(4,800)</u>
Balance due March 1, 2023	\$ <u>None</u>

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 18068

RALEIGH, NORTH CAROLINA 27619

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TELEPHONE (919) 787-8212
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Report of Independent Registered Public Accounting Firm

The Members
Falcon Square Capital, LLC.:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Falcon Square Capital, LLC (the "Company") identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed exemption from 17 C.F.R. § 240.15c3-3: (2)(ii) (exemption provisions), and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions 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 provisions. 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.

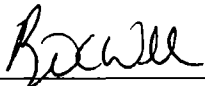
Batchelor, Tillery & Roberts, LLP

Raleigh, North Carolina
February 24, 2023

FALCON SQUARE CAPITAL LLC
Exemption Report
Year Ended December 31, 2022

Falcon Square Capital, LLC claims an exemption from SEC Rule 15c3-3, during the year ended December 31, 2022, pursuant to paragraph k(2)(ii).

Falcon Square Capital, LLC met the identified exemption provisions throughout the year ended December 31, 2022 without exception.



Braxton Wall, Member

2/24/2023

Date