

RW  
KH



SEC

16012705

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

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

Processing  
 Section  
 FEB 29 2016  
 Washington DC  
 404

SEC FILE NUMBER
8-51851

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 1/1/15 AND ENDING 12/31/15  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Stonebridge Securities, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**12510 198th Dr NE**

(No. and Street)

**Woodinville**

**WA**

**98077**

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Edward Richardson, Jr. CPA**

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

**15565 Northland Dr., Suite 508 West, Southfield, MI 48075**

(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)

*Handwritten signature*

OATH OR AFFIRMATION

I, Michael Hendrickson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stonebridge Securities, LLC, as of December, 31, 2015, 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:

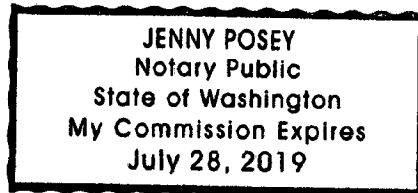
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Michael Hendrickson*  
Signature

CEO

Title

*Jenny Posey*  
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).

**Stonebridge Securities, LLC**  
**Statement of Financial Condition**  
**December 31, 2015**

**Assets**

Cash	\$ 18,197
Prepaid expenses and other	<u>122</u>
<b>Total assets</b>	<b><u>\$ 18,319</u></b>

**Liabilities and Member's Equity**

**Liabilities**

Accounts payable and accrued expenses	<u>\$ 125</u>
<b>Total liabilities</b>	<b>125</b>

**Member's equity**

Member's equity	<u>18,194</u>
<b>Total member's equity</b>	<b><u>18,194</u></b>
<b>Total liabilities and member's equity</b>	<b><u>\$ 18,319</u></b>

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

**Stonebridge Securities, LLC**  
**Statement of Income**  
**For the Year Ended December 31, 2015**

**Revenues**

Consulting income	\$ 49,800
<b>Total revenues</b>	<b>49,800</b>

**Expenses**

Professional fees	6,000
Licenses and permits	<u>8,241</u>
Other operating expenses	<u>7,485</u>
<b>Total expenses</b>	<u>21,726</u>
<b>Net income (loss)</b>	<u><u>\$ 28,074</u></u>

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

**Stonebridge Securities, LLC**  
**Statement of Changes in Member's Equity**  
**For the Year Ended December 31, 2015**

	<u>Member's Equity</u>
<b>Balance at December 31, 2014</b>	\$ 32,420
Member's distributions	(42,300)
Net income (loss)	<u>28,074</u>
<b>Balance at December 31, 2015</b>	<u><u>\$ 18,194</u></u>

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

**Stonebridge Securities, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**

**Cash flow from operating activities:**

Net income (loss)		\$ 28,074
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	\$ 432	
(Increase) decrease in assets:		
Prepaid expenses and other	1,581	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(1,900)	
Total adjustments	113	

**Net cash provided by (used in) operating activities** 28,187

**Net cash provided by (used in) in investing activities** -

**Cash flow from financing activities:**

Member's distributions	(42,300)	
<b>Net cash provided by (used in) financing activities</b>		<b>(42,300)</b>

**Net increase (decrease) in cash** (14,113)

**Cash at beginning of year** 32,310

**Cash at end of year** \$ 18,197

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$ -	
Income taxes	\$ -	

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

**Stonebridge Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Stonebridge Securities, LLC (the "Company"), a Washington limited liability company, was organized on March 19, 1999, under the name of Base Capital Securities, L.L.C. The Company operates as a registered broker/dealer in securities under the provisions of the Securities and Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company's services include raising capital for customers through the private placement process by placing securities with accredited investors, providing fee based financial structuring and consulting, and providing mutual funds and variable annuities to customers.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(1), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Company receives fees in accordance with terms stipulated in its engagement contracts. Fees are recognized as earned. The Company also receives success fees when transactions are completed. Success fees are recognized when earned, the Company has no further continuing obligations, and collection is reasonably assured.

**Stonebridge Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

Property and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

The Company is treated as a disregarded entity for federal income tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company has evaluated events subsequent to the balance sheet for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements 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 of its financial statements.

**Note 2: PROPERTY AND EQUIPMENT, NET**

Property and equipment are recorded net of accumulated depreciation and summarized by major classification as follows:

		Useful Life
Equipment	\$ 13,257	5
Computer	<u>3,586</u>	5
Office Furniture	3,432	6-10
Total cost of property and equipment	20,275	
Less: accumulated depreciation	<u>(20,275)</u>	
Property and equipment, net	<u>\$ -</u>	

Depreciation expense for the year ended December 31, 2015 was \$432



**Stonebridge Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 3: INCOME TAXES**

The Company is treated as a disregarded entity for federal income tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

**Note 4: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and 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.

**Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS**

In June of 2009, the Financial Accounting Standards Board (the "FASB") implemented a major restructuring of U.S. accounting and reporting standards. This restructuring established the Accounting Standards Codification ("Codification" or "ASC") as the source of authoritative accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs")

For the year ending December 31, 2015, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following ASU releases to determine relevance to the Company's operations:

<u>ASU No.</u>	<u>Title</u>	<u>Effective Date</u>
2011-04	Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IRFSs (May 2011).	After December 15, 2011

**Stonebridge Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS**

**(Continued)**

2011-08	Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment (September 2011).	After December 15, 2011
2011-11	Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (December 2011).	After January 1, 2013
2011-12	Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (December 2011).	After December 15, 2011
2012-02	Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment (July 2012).	After September 15, 2012

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Note 6: 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, 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. Net capital and aggregate indebtedness change day to day, but on December 31, 2015, the Company had net capital of \$18,071 which was \$13,071 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$125) to net capital was 0.01 to 1, which is less than the 15 to 1 maximum allowed.

**Stonebridge Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 7: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS**

There is no difference between the computation of net capital under net capital SEC Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule		\$ 18,072
Adjustments:		
Member's equity	\$ 122	
Non-allowable assets	(122)	
Total adjustments	<u>          </u>	<u>          </u>
Net capital per audited statements		<u><u>\$ 18,072</u></u>

**Stonebridge Securities, LLC**

**Supplementary**

**Pursuant to rule 17a-5 of the**

**Securities and Exchange Act of 1934**

**As of and for the Year Ended December 31, 2015**

**Stonebridge Securities, LLC**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2015**

**Computation of net capital**

Member's equity	\$ 18,194	
<b>Total member's equity</b>		\$ 18,194
Less: Non-allowable assets		
Prepaid expenses and other	<u>(122)</u>	
<b>Total non-allowable assets</b>		<u>(122)</u>
<b>Net capital</b>		18,072

**Computation of net capital requirements**

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 8	
Minimum dollar net capital required	<u>5,000</u>	
Net capital required (greater of above)		<u>(5,000)</u>
<b>Excess net capital</b>		<u><u>\$ 13,072</u></u>
Ratio of aggregate indebtedness to net capital	0.01 : 1	

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2015.

*See independent auditor's report*

**Stonebridge Securities, LLC**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2015**

**Exemptive Provisions Rule 15c3-3**

The Company is exempt from Rule 15c3-3 because all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

**Statement of Changes in Liabilities Subordinated to the Claims of General Creditors**

Balance of such claims at January 1, 2015	\$ -
Additions	-
Reductions	-
Balance of such claims at December 31, 2015	<u>\$ -</u>



February 22, 2016

Edward Richardson, Jr. CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

RE: Exemption Statement Rule 15c3-3 (k)(1) for FYE December 31, 2015

Dear Mr. Richardson Jr.,

Please be advised that Stonebridge Securities, LLC has complied with Exemption Rule 15c3-3 (k)(1), for the period of January 1, 2015 through December 31, 2015. Stonebridge Securities, LLC did not hold customer securities or funds at any time during this period and does business on a limited basis (publicly registered non-trades REITS, and oil & gas partnerships). Stonebridge Securities, LLC's past business has been of similar nature and has complied to this exemption since its inception.

Michael Hendrickson, the CEO of Stonebridge Securities, LLC has made available to Edward Richardson all records and information including all communications from regulatory agencies received through the date of this review December 31, 2015.

Michael Hendrickson has been responsible for compliance with the exemption provision throughout the fiscal year. Also, there were not any know events or other factors that might have affected Stonebridge Securities, LLC's compliance with this exemption.

If you would like additional information or have any questions, feel free to call me directly at (206) 484-3848

Very truly yours,

A handwritten signature in black ink that reads 'Michael Hendrickson'.

Stonebridge Securities, LLC  
Michael Hendrickson  
CEO

*Edward Richardson Jr., CPA  
15565 Northland Dr W Ste 508  
Southfield, MI 48075  
248-559-4514*

Independent Auditor's Report

Board of Directors  
Stonebridge Securities, LLC  
16541 Redmond Way  
Redmond, WA 98052

**Report on the Financial Statements**

I have audited the accompanying statement of financial condition of Stonebridge Securities, LLC as of December 31, 2015 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Stonebridge Securities, LLC management. My responsibility is to express an opinion on these financial statements based on my audit.

**Auditor's Responsibility**

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stonebridge Securities, LLC as of December 31, 2015, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

**Other Matters**

The Supplemental Information has been subjected to audit procedures performed with audit of Stonebridge Securities, LLC financial statements. Supplemental Information is the responsibility of Stonebridge Securities, LLC'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 Net Capital Computation,



including its form and content is presented in conformity 17 C.F.R. # 240 17a-5. In my opinion, the Net Capital Computation is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Edward Richardson Jr. CPA*

Edward Richardson Jr., CPA  
Southfield, MI. 48075  
February 22, 2016