

AUB

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



16014318

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**

SEC  
Mail Processing  
Section

SEC FILE NUMBER
8-68618

MAR 11 2016

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

Washington DC

REPORT FOR THE PERIOD BEGINNING 01/01/15 AND ENDING 12/31/15  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Stonepine Advisors, LLC

OFFICIAL USE ONLY
_____
FIRM I.D. NO.

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

200 Middlefield Road, Suite 104

(No. and Street)

Menlo Park

(City)

California

(State)

94025

(Zip Code)

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

James Reilly, Managing Partner

650-866-5371

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Burr Pilger Mayer, Inc.

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

2001 N. Main Street, Suite 360

(Address)

Walnut Creek

(City)

California

(State)

94596

(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).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

JG

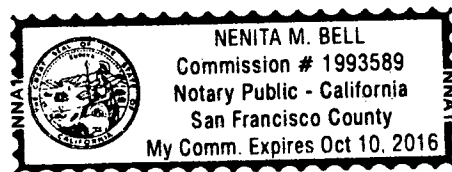
OATH OR AFFIRMATION

I, **James Reilly**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of **Stonepine Advisors, 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:

None

*James Reilly*  
Signature  
**Managing Partner**  
Title

*Nenita M. Bell*  
Notary Public



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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Member's Equity.
- (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)

STONEPINE ADVISORS, LLC

---

C O N T E N T S

	<b>Page(s)</b>
Report of Independent Registered Public Accounting Firm	1
Statement of Financial Condition	2
Notes to Financial Statements	3-5
Review Report of Independent Registered Public Accounting Firm	6
Management's Assertion Regarding Compliance with (K)(2)(i) Exemption	7



BURR PILGER MAYER

2001 North Main Street, Suite 360, Walnut Creek, CA 94596

Phone 925.296.1040 Fax 925.296.1099 Email bpm@bpmcpa.com Web bpmcpa.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Stonepine Advisors, LLC

We have audited the accompanying statement of financial condition of Stonepine Advisors, LLC (the "Company") as of December 31, 2015, and the related notes to the financial statements. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Stonepine Advisors, LLC as of December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

*Burr Pilger Mayer, Inc.*

Walnut Creek, California  
February 22, 2016

**STONEPINE ADVISORS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**

December 31, 2015

---

**ASSETS**

Cash	\$ 40,214
Account receivable	27,500
Prepaid expenses and other assets	<u>9,317</u>
 Total assets	 <u><u>\$ 77,031</u></u>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities:	
Accounts payable and accrued expenses	\$ 27,690
Due to related party	<u>2,279</u>
 Total liabilities	 29,969
 Commitments and contingencies (Note 3)	
 Member's equity	 <u>47,062</u>
 Total liabilities and member's equity	 <u><u>\$ 77,031</u></u>

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

**STONEPINE ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

---

**1. Ownership Structure**

Stonepine Advisors, LLC (the “Company”) is a registered securities broker-dealer that is incorporated in the state of California as a California limited liability company. The Company is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). The Company provides services as a strategic and financial advisor to small and mid-sized technology companies. Such services include both buy and sell side merger and acquisition advice and fairness opinions, financial structure advice, valuation services and capital raising services on an agency basis, in either the public or private market. The Company is headquartered in Menlo Park, California.

**2. Summary of Significant Accounting Policies**

***Use of 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.

***Revenue Recognition***

Fees from investment banking and venture capital activities are recognized when earned. Consulting fees are recognized as the services are performed and retainer fees are recognized over the period in which the retainer relates.

***Cash***

Cash consists of cash on hand, checking and saving accounts. There are no withdrawal restrictions on cash. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2015.

***Accounts Receivables and Allowance for Doubtful Accounts***

Accounts receivable are stated at the amount management expects to collect from outstanding balances after discounts and bad debts, taking into account credit worthiness of customers and its history of collection. Management provides for probable uncollectible amounts through a charge to earnings and an increase to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off and charged to the allowance for doubtful accounts. The Company has determined that no allowance for doubtful accounts is necessary as of December 31, 2015. The Company does not typically recognize interest income on trade receivables.

***Financial Instruments and Fair Value***

The carrying amounts of the Company’s financial instruments, including cash, accounts receivable, and accounts payable approximate their fair values due to their short maturities. There are no financial instruments that are required to be measured at fair value on a recurring basis.

Continued

**STONEPINE ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

---

**2. Summary of Significant Accounting Policies, continued**

***Income Taxes***

The Company is a limited liability company. As such, income or loss of the Company, in general, is allocated to the members for inclusion in their personal income tax return. Accordingly, the Company has not provided for federal, state, or local income taxes, other than California State minimum annual LLC taxes which are included under the caption “other” on the statement of operations.

**3. Commitments and Contingencies**

The Company leases its office under a month-to-month operating lease agreement. In March 2015, the Company entered into a one-year lease for its new office in Menlo Park, California through February 28, 2016, and on a month-to-month thereafter.

In May 2015, the Company entered into a termination agreement with a former independent consultant whereby the Company agreed to pay the former independent consultant certain payments related to two of the Company’s customers. As of December 31, 2015, the Company has complied with the terms of the termination agreement. Additionally, the Company may be liable for additional fees after December 31, 2015 if the Company collects future fees from these customers as defined in the termination agreement.

In addition, the Company is sometimes involved in various legal and regulatory matters arising from its securities activities. Although the initiation and ultimate outcome of such matters cannot be predicted, it is the opinion of management, based on discussions with legal counsel, that the resolution of any such current matters will not have a material effect upon the Company’s financial position or results of operations.

**4. Related Party Transactions**

As of December 31, 2015, the amount due to the sole managing member for expense reimbursement was \$2,279.

**5. Net Capital Requirement**

The Company is subject to the Uniform Net Capital Rule 15c3-1 (the “Rule”) adopted by the SEC and administered by FINRA, which requires the Company to maintain minimum net capital as defined by the Rule and a ratio of aggregate indebtedness to net capital, as defined, of the greater of \$5,000 or 6.67% of aggregate indebtedness. The relationship of aggregate indebtedness to net capital changes from day to day. At December 31, 2015, the Company’s net capital was \$10,245, its ratio of aggregate indebtedness to net capital was 2.70 to 1, and its net capital was \$5,245 in excess of the required minimum net capital.

The Company is exempt from the requirements of Rule 15c3-3, as adopted by the SEC.

Continued

**STONEPINE ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

---

**6. Concentration of Credit Risk**

Cash is maintained with high quality financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

The Company extends credit to its customers, located primarily in California, in the ordinary course of business. The Company controls credit risk through credit approvals, credit limits, and monitoring procedures. The Company performs ongoing credit evaluations of its customers, but generally does not require collateral to support accounts receivable.

The account receivable was due from three customers as of December 31, 2015.

The Company hires independent contractors to provide services to its customers.

**7. Subsequent Events**

The Company has evaluated all subsequent events for recognition and disclosure through February 22, 2016, the date which these financial statements were available to be issued. Nothing has occurred outside the normal course of business operations that require disclosure or recognition as of December 31, 2015.



**SUPPLEMENTAL REPORT**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of  
Stonepine Advisors, LLC

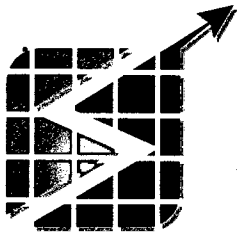
We have reviewed management's statements, included in the accompanying Management's Assertion on Exemption SEC Rule 15c3-3(k), in which (1) Stonepine Advisors, LLC (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(i) (the "exemption provisions") and (2) the Company stated that Stonepine Advisors, LLC 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Burr Pilger Mayer, Inc.*

Walnut Creek, California  
February 22, 2016



# STONEPINE

---

## ADVISORS

### MANAGEMENT'S ASSERTION ON EXEMPTION SEC RULE 15c3-3(k)

February 22, 2016

Stonepine Advisors, LLC  
200 Middlefield Road, Suite 104  
Menlo Park, CA 94025

To Burr Pilger Mayer, Inc.:

Stonepine Advisors, LLC (the "Company") is exempt from the requirements of SEC Rule 15c3-3(k) under the provisions of paragraph (2)(i) thereunder. The Company has met the requirements of the provisions of paragraph (2)(i), without exception, since it commenced operations, including during the entirety of the fiscal year ended December 31, 2015.

Sincerely,

---

James Reilly, Managing Partner

SEC  
Mail Processing  
Section  
MAR 11 2016  
Washington DC  
404

**STONEPINE ADVISORS, LLC**  
(SEC ID. No. 8-68618)

STATEMENT OF FINANCIAL CONDITION  
AND SUPPLEMENTAL REPORT  
December 31, 2015  
PUBLIC DOCUMENT

\* \* \* \* \*



**STONEPINE**  
ADVISORS

This report is filed pursuant to Rule 17a-5(e)(3) as a Public Document.