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

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

SEC FILE NUMBER  
8-66987

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 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **STONERIDGE CAPITAL GROUP, LLC**

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

**2404 MEETING STREET**

(No. and Street)

**WAYZATA**

(City)

**MN**

(State)

**55391**

(Zip Code)

OFFICIAL USE ONLY  
FIRM ID NO  
**PROCESSED**  
**MAR 19 2008**  
**THOMSON FINANCIAL**

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\*

**ELLINGSON & ELLINGSON, LTD.**

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

**5101 VERNON AVE. S. #501**

(Address)

**EDINA**

(City)

**MN**

(State)

**55436**

(Zip Code)

CHECK ONE:

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

**SEC**  
**Mall Processing  
Section**

**FEB 28 2008**

**Washington, DC**

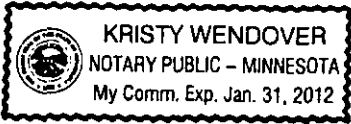
**FOR OFFICIAL USE ONLY** **102**

\*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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3/13

OATH OR AFFIRMATION

I, DONALD R. BROOKS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of STONERIDGE CAPITAL GROUP, LLC, as of DECEMBER 31, 20 07, 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:



Kristy Wendover
Notary Public

Donald R. Brooks
Signature
Partner
Title

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).



Ellingson & Ellingson, Ltd.  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL  
REQUIRED BY SEC RULE 17a-5**

Erik R. Ellingson  
CPA  
Erik J. (Rick)  
Ellingson  
CPA  
Patti Ellingson  
CPA  
Jane Ellingson  
Ehresmann  
CPA

The Directors and Stockholders  
StoneRidge Capital Group, LLC  
Minneapolis, Minnesota

In planning and performing our audit of the financial statements of Aegis Investments, Inc. for the year ended December 31, 2007, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures followed by Aegis Investments, Inc., including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g)(1) in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principals. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by

the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the control environment, and its operation that we consider to be a material weakness as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007, to meet the Commission's objectives.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, results of operations, cash flows, and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP). The Company does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. As such, management requested us to prepare a draft of the financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in companies of your size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost.

This report is intended solely for the use of management, the Securities and Exchange Commission, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

*Ellingson & Ellingson, Ltd.*

Ellingson & Ellingson, Ltd.

Edina, Minnesota

February 21, 2008

**STONERIDGE CAPITAL GROUP, LLC**

Minneapolis, Minnesota

Financial Statements and  
Auditor's Report  
December 31, 2007

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Ellingson & Ellingson, Ltd.  
Certified Public Accountants

Erik R. Ellingson  
CPA  
Erik J. (Rick)  
Ellingson  
CPA  
Patti Ellingson  
CPA  
Jane Ellingson  
Ehresmann  
CPA

**INDEPENDENT AUDITOR'S REPORT**

The Partner's  
StoneRidge Capital Group, LLC  
Minneapolis, Minnesota

We have audited the accompanying statements of financial condition of StoneRidge Capital Group, LLC, as of December 31, 2007 and 2006, and the related statements of income, changes in stockholders' equity and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of StoneRidge Capital Group, LLC as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

*Ellingson & Ellingson, Ltd.*  
Ellingson & Ellingson, Ltd.  
Edina, Minnesota

February 21, 2008

**STONERIDGE CAPITAL GROUP, LLC**  
**STATEMENTS OF FINANCIAL CONDITION**  
December 31, 2007 and 2006

	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 1)	\$ 38,697	\$ 18,774
	38,697	18,774
<b>PROPERTY AND EQUIPMENT (NOTE 1)</b>		
Office furniture and equipment	30,911	30,911
Less: accumulated depreciation	(21,043)	(13,461)
	9,868	17,450
<b>OTHER ASSETS</b>		
Rent deposit		4,561
Total Assets	\$ 48,565	\$ 40,785
<b>LIABILITIES AND PARTNERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>	\$ -	\$ -
<b>COMMITMENTS AND CONTINGENCIES (NOTE 2)</b>		
<b>PARTNERS' EQUITY</b>		
Partners' capital	162,533	150,000
Retained (deficit)	(113,968)	(109,215)
	48,565	40,785
Total Liabilities and Partners' Equity	\$ 48,565	\$ 40,785

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

**STONERIDGE CAPITAL GROUP, LLC**  
**STATEMENTS OF OPERATIONS**  
For the Years Ended December 31, 2007 and 2006

	2007	2006
<b>REVENUES</b>	<u>\$ 38,092</u>	<u>\$ 57,671</u>
<b>EXPENSES</b>		
Rent	26,375	32,762
Telephone		5,015
Professional fees	2,150	513
Licensing and education	1,250	2,084
Office expense		1,509
Outside services		3,000
Marketing		648
Depreciation	7,582	13,461
Database services	5,000	22,004
Miscellaneous	338	756
Insurance	150	1,000
Dues and subscriptions		600
Total Expenses	<u>42,845</u>	<u>83,352</u>
 Net (Loss)	 <u>\$ (4,753)</u>	 <u>\$ (25,681)</u>

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

**STONERIDGE CAPITAL GROUP, LLC**  
**STATEMENTS OF CHANGES IN PARTNERS' EQUITY**  
**For the Years Ended December 31, 2007 and 2006**

	<u>Partners' Capital</u>	<u>Retained (Deficit)</u>	<u>Total</u>
Balance at January 1, 2006	\$ 150,000	\$ (83,534)	\$ 66,466
Net (loss)		(25,681)	(25,681)
Balance at December 31, 2006	150,000	(109,215)	40,785
Additional capital contributions	12,533		12,533
Net (loss)		(4,753)	(4,753)
Balance at December 31, 2007	<u>\$ 162,533</u>	<u>\$ (113,968)</u>	<u>\$ 48,565</u>

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

**STONERIDGE CAPITAL GROUP, LLC**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2007 and 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ (4,753)	\$(25,681)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,582	13,461
Changes in assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		1,944
Prepaid expenses	4,561	3,809
	7,390	(6,467)
<b>Net Cash Flows from Operating Activities</b>		
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additional capital contributions	12,533	
 <b>Net Cash Flows from Financing Activities</b>	12,533	
 <b>Net Increase (Decrease) in Cash</b>	19,923	(6,467)
 <b>Cash at Beginning of Year</b>	18,774	25,241
<b>Cash at End of Year</b>	\$38,697	\$ 18,774

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

**STONERIDGE CAPITAL GROUP, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2007

**Note 1. Summary of Significant Accounting Policies**

This summary of significant accounting policies of StoneRidge Capital Group, LLC (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

Business Activity -

The Company operates in the mergers and acquisitions sector of the securities industry.

Cash Equivalents -

The Company considers securities with maturities of three months or less, when purchased, to be cash equivalents.

Property and Equipment -

Property and equipment are recorded at cost. Depreciation is computed using the straight line method over useful lives of three to five years.

Income Taxes -

The Company, with the consent of its members, elected to be treated, under the provisions of the Internal Revenue Code, as a partnership. Under such provisions, in lieu of corporate income taxes, the members are taxed on the Company's taxable income. Therefore, no provision or liability for income taxes is included in the accompanying financial statements.

Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Concentrations of Credit Risk -

The Company does not believe that it is exposed to any significant credit risk in connection with the extension of credit to its customers. Historically, the Company has had no bad debt write offs.

**STONERIDGE CAPITAL GROUP, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2007

**Note 2. Commitments and Contingencies**

The Company leased office space in Minneapolis, Minnesota. The original term of the lease commenced on February 1, 2005 and was to terminate on April 30, 2010. During 2007, a termination of the lease was negotiated with the landlord whereby the Company made a final payment to the landlord and was released from future commitments under the lease.

Total rent expense on this property, including taxes and operating costs, was \$26,375 for the fiscal year ended December 31, 2007, and \$32,762 for the fiscal year ended December 31, 2006.

During 2007 and 2006, the Company sublet a portion of this space. The rental income received on this property was \$3,092 during 2007 and \$20,676 during 2006.



Ellingson & Ellingson, Ltd.

Certified Public Accountants

**Independent Auditor's Report On Supplementary Information  
Required By Rule 17a-5 Of The Securities And Exchange Commission**

We have audited the accompanying financial statements of StoneRidge Capital Group, LLC as of and for the year ended December 31, 2007, and have issued our report thereon dated February 21, 2007. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by rule 17a-5 under the Securities and Exchange Commission Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ellingson & Ellingson, Ltd.*  
Ellingson & Ellingson, Ltd.  
Edina, Minnesota  
February 21, 2007

Erik R. Ellingson  
CPA  
Erik J. (Rick)  
Ellingson  
CPA  
Patti Ellingson  
CPA  
Jane Ellingson  
Ehresmann  
CPA

**STONERIDGE CAPITAL GROUP, LLC**  
**COMPUTATION OF NET CAPITAL**  
**As of December 31, 2007**

<b>NET CAPITAL</b>		
Stockholders' Equity	\$ 48,565	
Additions:		
Subordinated loans	<u>                    </u>	\$ 48,565
Deductions:		
Non-allowable items:		
Property and equipment net of accumulated depreciation	<u>9,868</u>	<u>9,868</u>
Net Capital		<u><u>\$ 38,697</u></u>
<b>BASIC CAPITAL REQUIREMENT</b>		
Net capital		\$ 38,697
Minimum net capital required		<u>5,000</u>
Excess Net Capital		<u><u>\$ 33,697</u></u>
<b>AGGREGATE INDEBTEDNESS</b>		<u><u>\$ -</u></u>
<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>		<u><u>-</u></u>
<b>RECONCILIATION OF NET CAPITAL</b>		
Net Capital, as reported in Company's Part IIA FOCUS report		\$ 38,697
Audit adjustments made for the following:		
Adjusted Net Capital		<u><u>\$ 38,697</u></u>

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

**STONERIDGE CAPITAL GROUP, LLC  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER RULE 15c3-3  
As Of December 31, 2007**

Pursuant to Rule 15c3-3(k)(2)(B), the Company is exempt from the reserve requirement.

**INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENT UNDER RULE 15c3-3  
As Of December 31, 2007**

The Company was in compliance with the exemptive provisions of SEC Rule 15c3-3 as of December 31, 2007.