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ANNUAL AUDITED REPORT
FORM X-17A-5
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 January 1, 2004 AND ENDING December 31, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Synergy Advisors Group, LLC
Synergy Advisors, LLC DBA

OFFICIAL USE ONLY

FIRM ID. NO.

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

2121 Rosecrans Avenue, Suite 2330

(No. and Street)

El Segundo

California

90245

(City)

(State)

(Zip Code)

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

Robert Maggiacomo

(310) 414-3200

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kevin G. Breard, CPA An Accountancy Corporation

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

9010 Corbin Avenue, Suite 7

Northridge

California

91324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED
MAR 14 2005

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FINANCIAL

*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).

SEC 1410 (3-91)

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BB-11

OATH OR AFFIRMATION

I, Robert Maggiacomo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Synergy Advisors, LLC, as of December 31, 2004, 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:

State of CALIFORNIA
County of LOS ANGELES
Subscribed and sworn (or affirmed) to before me this 8TH day of FEBRUARY, 2005

Robert Maggiacomo
Signature

CEO & CFO / FINOP

Patricia Dorothy Cardone
Notary Public



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~~ Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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).

KEVIN G. BREARD, C.P.A.
AN ACCOUNTANCY CORPORATION

Independent Auditor's Report

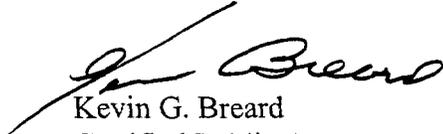
Board of Directors
Synergy Advisors Group, LLC dba Synergy Advisors, LLC

I have audited the accompanying statement of financial condition of Synergy Advisors Group, LLC dba Synergy Advisors, LLC as of December 31, 2004, and the related statements of operations, changes in members' equity, and cash flows from inception (July 31, 2003) through December 31, 2004 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Synergy Advisors Group, LLC dba Synergy Advisors, LLC as of December 31, 2004, and the results of their operations and their cash flows from inception (July 31, 2003) through December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules I-III are presented for purposes of additional analysis and is not required as part of the basic financial statements, but as supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subject to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respect in relation to the basic financial statements taken as a whole and in conformity with the rules of the Securities and Exchange Commission.


Kevin G. Breard
Certified Public Accountant

Northridge, California
February 10, 2005

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NORTHRIDGE, CALIFORNIA 91324
(818) 886-0940 • FAX (818) 886-1924
BreardCPA@aol.com

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Statement of Financial Condition
December 31, 2004

Assets

Cash	\$ 14,710
Prepaid expenses	3,996
Office equipment, net of \$2,334 accumulated depreciation	2,854
Organization costs, net of \$530 accumulated amortization	1,583
Deposits	<u>2,500</u>
Total assets	<u>\$ 25,643</u>

Liabilities and Members' Equity

Liabilities

Accounts payable	\$ 85
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Members' equity	<u>25,558</u>
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Total liabilities and members' equity	<u>\$ 25,643</u>
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The accompanying notes are an integral part of these financial statements.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Statement of Operations
For the Period From Inception (July 31, 2003) Through December 31, 2004

Revenues

Financial advisory fees	\$ <u>155,000</u>
Total revenues	155,000

Expenses

Employee compensation and benefits	87,083
Occupancy	39,429
Taxes, other than income taxes	2,320
Other operating expenses	<u>74,010</u>
Total expenses	<u>202,842</u>
Income (loss) before income taxes	(47,842)
Total income tax provision	<u>1,600</u>
Net income (loss)	<u><u>\$ (49,442)</u></u>

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

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Statement of Changes in Members' Equity
For the Period From Inception (July 31, 2003) Through December 31, 2004

	<u>Members'</u> <u>Equity</u>
Members' contributions	\$ 75,000
Net income (loss)	<u>(49,442)</u>
Balance from inception to December 31, 2004	<u>\$ 25,558</u>

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

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Statement of Cash Flows
For the Period From Inception (July 31, 2003) Through December 31, 2004

Cash flows from operating activities:

Net income (loss)		\$ (49,442)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	\$ 2,334	
Amortization	530	
(Increase) decrease in:		
Prepaid expenses	(3,996)	
Deposits	(2,500)	
(Decrease) increase in:		
Accounts payable	<u>85</u>	
Total adjustments		<u>(3,547)</u>
Net cash provided by (used in) operating activities		(52,989)

Cash flows from investing activities:

Purchase of equipments	(5,188)	
Purchase of organization costs	<u>(2,113)</u>	
Net cash provided by (used in) investing activities		(7,301)

Cash flows from financing activities:

Members' contributions	<u>75,000</u>	
Net cash provided by (used in) financing activities		<u>75,000</u>

Net increase (decrease) in cash	14,710
Cash at beginning of the period	<u>—</u>
Cash at end of the period	<u>\$ 14,710</u>

Supplemental disclosure of cash flow information:

Cash paid during the period for:

Interest	\$ —
Income taxes	\$ 1,600

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

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Notes to Financial Statements
December 31, 2004

Note 1: GENERAL & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Synergy Advisors Group, LLC dba Synergy Advisors, LLC (the "Company") was organized in the State of Delaware on July 31, 2003, and subsequently registered to conduct business in the State of California on November 24, 2003. The Company is a Limited Liability Company operating as a registered broker-dealer in securities under the Securities and Exchange Act of 1934.

The Company also is an investment banking advisory boutique focused on providing advisory services to companies and financial buyers relating to mergers and acquisitions (buy-side, sell-side, and valuations), corporate finance matters (capital structure and financing alternatives) as well as agenting private placement financing. The Company is a member of the National Association of Securities Dealers ("NASD") and the Securities Investor Protection Corporation ("SIPC").

Although the Company works with clients in various industries, it has a focus in the various health care and life science sectors.

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, with the consent of its members, has elected to be a Delaware Limited Liability Company. For taxes 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 similar treatment, although there exists a provision for a minimum Franchise Tax of \$800 and a gross receipts tax.

Financial advisory fees are recognized as earned according to the fee schedule stipulated in the client's engagement contracts.

Office equipments are stated at cost. The Company depreciates its equipments using the double declining-balance method of depreciation over the equipments' useful lives of five years.

Organization costs are being amortized on a straight-line basis over 60 months.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Notes to Financial Statements
December 31, 2004

Note 2: INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company has elected the Partnership tax status, therefore no federal income tax provision is provided.

All tax effects of the partnership's income or loss are passed through to the partners individually. The Company recorded \$1,600 in its tax provision in accordance with California limited partnership regulations.

Note 3: RENT EXPENSE

Current year rent expense consists of the following:

Office rent	\$ <u>39,429</u>
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Note 4: OFFICE EQUIPMENT, NET

Office equipments at December 31, 2004 are recorded at cost.

		<u>Depreciable Life Years</u>
Office equipment	\$ 5,188	5
	5,188	
Less accumulated depreciation	<u>(2,334)</u>	
Office equipment, net	<u>\$ 2,854</u>	

Depreciation expense from inception to December 31, 2004 was \$2,334.

Note 5: ORGANIZATION COSTS, NET

Organization costs at December 31, 2004 are carried at cost.

		<u>Amortization Periods</u>
Organization costs	\$ 2,113	5 years
	2,113	
Less accumulated amortization	<u>(530)</u>	
Organization costs, net	<u>\$ 1,583</u>	

Amortization expense from inception to December 31, 2004 was \$530.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Notes to Financial Statements
December 31, 2004

Note 6: RECENTLY ISSUED ACCOUNTING STANDARDS

In January 2003, The Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46, "*Consolidation of Variable Interest Entities*" ("FIN 46"). This interpretation of Accounting Research Bulletin No. 51, requires companies to consolidate the operations of all variable interest entities ("VIE's") for which they are the primary beneficiary. The term "primary beneficiary" is defined as the entity that will absorb a majority of expected losses, receive a majority of the expected residual returns, or both. This interpretation was later revised by the issuance of Interpretation No. 46R ("FIN 46R"). The revision was issued to address certain implementation issues that had arisen since the issuance of the original interpretation and to provide companies with the ability to defer the adoption of FIN 46 to periods after March 15, 2004. The implementation of FIN No. 46 and FIN 46R, had no material impact on the Company's financial statements.

On July 16, 2004, the FASB ratified the Emerging Issues Task Force ("EITF") consensus on Issue 02-14, "*Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means*" ("EITF 02-14"). The consensus concludes that an investor should apply the equity method of accounting when it can exercise significant influence over an entity through a means other than holding voting rights. The consensus is effective for reporting periods beginning after September 15, 2004. The adoption of EITF 02-14 did not have a material impact on the Company's financial statements.

On December 16, 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), "*Share-Based Payment*" ("FASB 123R"), which addresses the accounting for employee stock options. FASB 123R requires that the cost of all employee stock options, as well as other equity-based compensation arrangements, be reflected in the financial statements based on the estimated fair value of the awards. Stock options are a valuable and important tool that have been used by many companies as a means to motivate employees and to promote business growth. The statement requires that the value of these arrangements be measured and recognized in the financial statements. FASB 123R becomes effective for reports filed after June 15, 2005. Early adoption of FASB 123R had no material effect on the Company's financial statements.

Note 7: 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 8 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2004, the Company had net capital of \$14,625, which was \$9,625 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$85) to net capital was 0.01 to 1, which is less than the 8 to 1 maximum ratio allowed for a first year broker/dealer.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Notes to Financial Statements
December 31, 2004

Note 8: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There is a \$1 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		\$ 14,626
Adjustments:		
Members' equity	\$ 2,566	
Non-allowable assets	<u>(2,567)</u>	
Total adjustments		<u>(1)</u>
Net capital per audited statements		<u>\$ 14,625</u>

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2004

Computation of net capital

Members' equity

Members' equity \$ 25,558

Total members' equity \$ 25,558

Less: Non allowable assets

Equipments, net (2,854)

Organization costs, net (1,583)

Prepaid expenses (3,996)

Deposits (2,500)

Net adjustments (10,933)

Net Capital 14,625

Computation of net capital requirements

Minimum net capital requirements

12 1/2 percent of net aggregate indebtedness \$ 11

Minimum dollar net capital required 5,000

Net capital required (greater of above) 5,000

Excess net capital \$ 9,625

Ratio of aggregate indebtedness to net capital 0.01:1

There was a \$1 difference between net capital shown here and net capital as reported on the Company's unaudited Form X-17A-5 report dated December 31, 2004 due to rounding. See Note 8.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Schedule II - Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2004

A computation of reserve requirements is not applicable to Synergy Advisors Group, LLC dba Synergy Advisors, LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(i).

See independent auditor's report.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC
Schedule III - Information Relating to Possession or Control
Requirements Under Rule 15c3-3
As of December 31, 2004

Information relating to possession or control requirements is not applicable to Synergy Advisors Group, LLC dba Synergy Advisors, LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(i).

See independent auditor's report.

Synergy Advisors Group, LLC dba Synergy Advisors, LLC

Supplementary Accountant's Report

on Internal Accounting Control

Report Pursuant to 17a-5

For the Period from Inception (July 31, 2003) Through December 31, 2004

KEVIN G. BREARD, C.P.A.
AN ACCOUNTANCY CORPORATION

Board of Directors
Synergy Advisors Group, LLC dba Synergy Advisors, LLC

In planning and performing my audit of the financial statements and supplemental schedules of Synergy Advisors Group, LLC dba Synergy Advisors, LLC for the Period from inception (July 31, 2003) through December 31, 2004, I considered its internal control structure, for the purpose for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my 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 ("SEC"), I have made a study of the practices and procedures followed by Synergy Advisors Group, LLC dba Synergy Advisors, LLC including tests of such practices and procedures that I considered relevant to objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons
2. 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

The management of the Company is responsible for establishing and maintaining internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements 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 SEC'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 principles. Rule 17-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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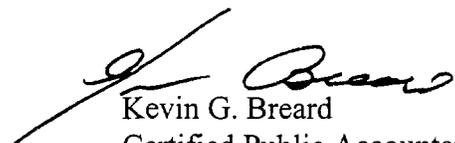
NORTHRIDGE OFFICE PLAZA
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NORTHRIDGE, CALIFORNIA 91324
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B r e a r d C P A @ a o l . c o m

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 they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which 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, I noted no matters involving the internal control structure, including procedures for safeguarding securities, that I considered to be material weakness as defined above.

I 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 purpose 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 material inadequacy for such purposes. Based on this understanding on my study, I believe that the Company's practices and procedures were adequate at December 31, 2004 to meet the SEC's objectives.

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


Kevin G. Breard
Certified Public Accountant

Northridge, California
February 10, 2005