

mm  
2/27

SECI



07001224

SSION

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2007
Estimated average burden hours per response.....	12.00



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

SEC FILE NUMBER  
8-52747

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 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Hyde Park Capital Advisors, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
701 N. Franklin Street ; 2nd Floor  
 (No. and Street)  
Tampa FL 33602  
 (City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
John M. McDonald III; Senior Managing Director 813-383-0206  
(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Lagheed & Company  
 (Name - if individual, state last, first, middle name)  
442 W. Kennedy Blvd; Suite 160 Tampa, FL 33606  
 (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 09 2007**

**THOMSON FINANCIAL**

**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)

DBB  
3/8

OATH OR AFFIRMATION

I, John McDonald, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hyde Park Capital Advisors, LLC, as of 12-31, 2006, 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:

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

J. M. McDonald  
Signature  
Senior Managing Director  
Title

Jenny L. Pelletier  
Notary Public



Jenny L. Pelletier  
My Commission DD338302  
Expires July 15, 2008

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).

**HYDE PARK CAPITAL ADVISORS, LLC  
(A WHOLLY-OWNED SUBSIDIARY  
OF HYDE PARK CAPITAL PARTNERS, LLC)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES**

**DECEMBER 31, 2006**

# LOUGHEED & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Managing Directors of  
Hyde Park Capital Advisors, LLC  
Tampa, Florida

We have audited the accompanying statement of financial condition of Hyde Park Capital Advisors, LLC as of December 31, 2006 and the related statements of operations and changes in members' equity and cash flows for the year then ended that are being filed 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides 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 Hyde Park Capital Advisors, LLC as of December 31, 2006 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, and IV 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 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our 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.

*Lougheed & Company LLC*  
*Certified Public Accountants*

February 9, 2007



America Counts on CPAs<sup>SM</sup>

---

442 West Kennedy Boulevard • Suite 160 • Tampa, Florida 33606  
813.254.2500 • Fax 813.254.2599

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2006**

**ASSETS**

Cash and cash equivalents	\$ 91,026
Accounts receivable, net of allowance of \$-0-	24,760
Furniture and equipment, net	27,962
Other assets	<u>12,859</u>
	<u>\$ 156,607</u>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts payable, trade	\$ 26,603
Accrued liabilities	1,978
Members' equity	<u>128,026</u>
	<u>\$ 156,607</u>

See accompanying notes to financial statements.

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY**  
**YEAR ENDED DECEMBER 31, 2006**

<b>REVENUES:</b>	
Investment banking	\$ 4,070,753
Interest	9,861
	<hr/>
Total revenues	4,080,614
	<hr/>
<b>EXPENSES:</b>	
Employee compensation and benefits	1,409,122
Business development expenses	161,268
Office expenses	144,728
Advertising expenses	122,481
Other expenses	97,831
Professional fees	38,439
Occupancy expenses	36,321
	<hr/>
Total expenses	2,010,190
	<hr/>
Net income	2,070,424
Members' equity, beginning of year	172,724
Member contributions	-
Member distributions	<hr/> ( 2,115,122)
Members' equity, end of year	<hr/> \$ 128,026

See accompanying notes to financial statements.

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2006**

Cash flows from operating activities:	
Net income	\$ 2,070,424
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation	12,949
Increase (decrease) in cash resulting from changes in:	
Accounts receivable	( 16,864)
Other assets	11,332
Accounts payable, trade	19,559
Accrued liabilities	<u>1,978</u>
Net cash flows from operating activities	<u>2,099,378</u>
Cash flows from investing activities:	
Purchases of furniture and equipment	( 10,457)
Net cash flows from investing activities	<u>( 10,457)</u>
Cash flows from financing activities:	
Member distributions	( 2,115,122)
Net cash flows from financing activities	<u>( 2,115,122)</u>
Net change in cash	( 26,201)
Cash, beginning of year	<u>117,227</u>
Cash, end of year	<u>\$ 91,026</u>
Supplemental cash flow information:	
Cash paid for interest	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>

See accompanying notes to financial statements.

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS**

Hyde Park Capital Advisors, LLC (the "Company") is a Florida Limited Liability Company that is wholly-owned by Hyde Park Capital Partners, LLC (the "Parent"). Operations commenced January 7, 2000. The Company provides investment banking services to middle market, private and public companies throughout the United States. The Company became a member of the National Association of Securities Dealers effective January 1, 2001.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

*Cash and cash equivalents:*

The Company considers all highly liquid instruments with original maturities of less than three months to be cash equivalents for purposes of the statement of cash flows.

*Accounts receivable:*

Accounts receivable are billed based on the terms of the individual contracts with the Company's customers. An account is considered past due if not paid within 30 days of the invoice date. The allowance for doubtful accounts is estimated on a specific identification basis considering the financial condition of the customer and other specific facts and circumstances. Accounts receivable are written off when they are determined to be uncollectible.

*Furniture and equipment:*

Furniture and equipment are recorded at cost. Depreciation is computed on the declining balance method over the estimated useful lives of the assets ranging from 3 to 7 years.

*Revenue recognition:*

Investment banking revenues represent financial advisory fees, net of reimbursable expenses earned in connection with merger and acquisition and private placement transactions. Investment banking revenues are recorded under formal arrangements when amounts are earned, which generally occurs at the time the transaction is completed and the related income is reasonably determinable.

*Advertising costs:*

The Company expenses advertising costs as they are incurred.



**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Income taxes:*

The Company is a limited liability company, which is disregarded for income tax purposes. All income or loss is allocated to the Parent. Consequently, no provision for income taxes has been included in these financial statements.

*Limited liability corporations:*

There are two Members who each have a 50% interest in the Company. Each member has the same rights, privileges and liabilities.

*Fair value of financial instruments:*

The estimated fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities at December 31, 2006 approximate their respective carrying values in light of the current nature of these financial instruments.

*Use of estimates:*

The preparation of financial statements in accordance 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 reported amounts of revenues and expenses for the periods then ended. These estimates are based on management's knowledge and experience. Actual results could differ from these estimates.

**NOTE 3 – FURNITURE AND EQUIPMENT**

Furniture and equipment consisted of the following at December 31, 2006:

Computer equipment	\$ 103,931
Office equipment	18,862
Furniture	3,909
	<hr/> 126,702
Less: accumulated depreciation	( 98,740)
	<hr/> <u>\$ 27,962</u>

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 – PROFIT SHARING PLAN**

The Company sponsors a contributory profit sharing plan for all employees who have completed one year of service; contributions are discretionary. During 2006, the Company authorized contributions of approximately \$185,000, which includes \$84,000 designated for the 2005 Plan year.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

Through April 30, 2006, the Company rented its principal executive offices from an unrelated third party. Rent expense for that period aggregated approximately \$34,000. In May 2004, the building which houses the principal executive offices was purchased by a company that is affiliated through common ownership. The related party does not charge the Company rent for use of the facility.

**NOTE 6 - NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital 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. At December 31, 2006, the Company had net capital of \$62,445, which was \$56,445 in excess of its required net capital of \$6,000. The Company's ratio of aggregate indebtedness to net capital was .46 to 1 at December 31, 2006.

**SUPPLEMENTARY INFORMATION  
PURSUANT TO RULE 17a-5 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**AS OF DECEMBER 31, 2006**

**The accompanying schedules are prepared in accordance with the  
requirements and general format of FOCUS Form X-17A-5.**

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND**  
**EXCHANGE COMMISSION SCHEDULE I (CONTINUED)**  
**AS OF DECEMBER 31, 2006**

<b>Net Capital</b>	
Total members' equity	\$ 128,026
Deduct members' equity not allowable for net capital	<u>-</u>
Total members' equity qualified for net capital	128,026
Add: Subordinated borrowings allowable in computation of net capital	-
Add: Other (deductions) or allowable credits-deferred income taxes payable	<u>-</u>
Total capital and allowable subordinated borrowings	<u>128,026</u>
Deductions and/or charges:	
Nonallowable assets:	
Accounts receivable, net	24,761
Prepaid expenses	13,000
Furniture and equipment, net	27,962
Other assets	<u>( 142)</u>
	<u>65,581</u>
Net capital before haircuts on securities positions (tentative net capital)	62,445
Haircuts on securities	<u>-</u>
Net capital	<u>\$ 62,445</u>
Aggregate indebtedness	
Items included in statement of financial condition:	
Accounts payable, trade	26,603
Accrued liabilities	<u>1,978</u>
Total aggregate indebtedness	<u>\$ 28,581</u>

**HYDE PARK CAPITAL ADVISORS, LLC**  
**(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND**  
**EXCHANGE COMMISSION SCHEDULE I (CONTINUED)**  
**AS OF DECEMBER 31, 2006**

**Computation of basic net capital requirement**

Minimum net capital required based upon aggregate indebtedness (which is calculated as 6-2/3% of aggregated indebtedness)	\$ <u>1,905</u>
Minimum net capital required	\$ <u>6,000</u>
Excess net capital	\$ <u>56,445</u>
Ratio: aggregate indebtedness to net capital	% <u>46</u>
Reconciliation with the Company's computation (included in Part II of Form X-17A-5 as of December 31, 2006)	
Net capital, as reported in Company's Part II (Unaudited) FOCUS report	\$ 62,445
Audit adjustments to record additional expenses	<u>-</u>
Net capital per above	\$ <u>62,445</u>

**HYDE PARK CAPITAL ADVISORS, LLC  
(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)  
COMPUTATION OF DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE  
15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION  
SCHEDULE II  
AS OF DECEMBER 31, 2006**

The Company is claiming an exemption from Rule 15c3-3 under section (k)(2)(i).

**HYDE PARK CAPITAL ADVISORS, LLC  
(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION  
SCHEDULE III  
AS OF DECEMBER 31, 2006**

The Company is claiming an exemption from Rule 15c3-3 under section (k)(2)(i).

**HYDE PARK CAPITAL ADVISORS, LLC  
(A WHOLLY-OWNED SUBSIDIARY OF HYDE PARK CAPITAL PARTNERS, LLC)  
SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR  
CUSTOMERS' REGULATED COMMODITY FUTURES AND OPTIONS ACCOUNTS  
SCHEDULE IV  
AS OF DECEMBER 31, 2006**

The Company is claiming an exemption from Rule 15c3-3 under section (k)(2)(i).



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Managing Directors  
Hyde Park Capital Advisors, LLC  
Tampa, Florida

In planning and performing our audit of the financial statements of Hyde Park Capital Advisors, LLC (the "Company"), for the year ended December 31, 2006, we considered its internal control, including control activities 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.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the 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 securities accounts for customers or perform custodial functions relating to customer securities, we 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 and recordation of differences required by rule 17a-13
2. 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 an internal control 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 controls 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 internal control 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 the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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 internal control would not necessarily disclose all matters in 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 the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including control activities for safeguarding securities, that we consider to be material weaknesses 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, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the Members', management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

February 9, 2007

*END*