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

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Washington, DC  
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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8- 66557

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 1/1/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Welton Street Investments, LLC

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

OFFICIAL USE ONLY  
FIRM I.D. NO.

4600 S. Syracuse Street, Suite 530  
(No. and Street)

Denver  
(City)

CO  
(State)

80237  
(Zip Code)

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

Mark Quam

303-226-1479

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Harding and Hittesdorf, P.C.

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

600 S. Cherry St., #815 Denver  
(Address) (City)

CO  
(State)

80246  
(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 05 2008

THOMSON  
FINANCIAL

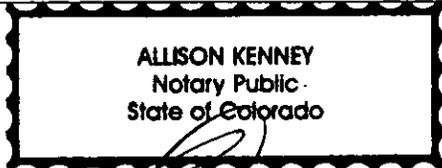
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, Mark Quam, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Welton Street Investments, 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:



[Signature]  
Notary Public

[Signature]  
Signature

CEO  
Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash flows.
- (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.
- (o) Independent auditors' report on internal control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

WELTON STREET INVESTMENTS, LLC  
(SEC File No. 8-66557)

Financial Statements and Supplemental  
Schedules for the Year Ended December 31, 2007  
and Independent Auditors' Report and  
Supplemental Report on Internal  
Accounting Control

# HARDING AND HITTESDORF, P.C.

Certified Public Accountants

600 S. Cherry Street, Suite 815  
Denver, Colorado 80246  
(303) 393-0888  
FAX (303) 393-0894  
www.hhcpafirm.com



## INDEPENDENT AUDITORS' REPORT

To The Member  
Welton Street Investments, LLC  
Denver, Colorado

We have audited the accompanying statements of financial condition of Welton Street Investments, LLC (a limited liability company) as of December 31, 2007, and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 of 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 audit 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 presents fairly, in all material respects, the financial position of Welton Street Investments, LLC at December 31, 2007, 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 and II 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 Exchange 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, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*H. J. Hittesdorf, P.C.*  
HARDING AND HITTESDORF, P.C.  
Certified Public Accountants

February 21, 2008

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 85,648
Accrued expenses	<u>154,206</u>

Total Current Liabilities	239,854
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MEMBER'S EQUITY	<u>813,649</u>
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	<u><u>\$ 1,053,503</u></u>
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See accompanying notes to financial statements.

WELTON STREET INVESTMENTS, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES:

Commissions	\$ 5,583,316
Due diligence reimbursements	740,840
Other income	25,640
Interest	13,644
	<hr/>
	6,363,440

OPERATING EXPENSES:

Commissions	3,442,773
Payroll and related expenses	1,799,394
Marketing expense	249,912
Travel and entertainment	153,240
Office expense	140,831
Rent	121,775
Advertising	71,605
Depreciation	43,083
Professional fees	37,637
Filing and registration fees	36,810
Bad debt expense	26,102
Miscellaneous operating expenses	18,061
	<hr/>
	6,141,223

NET INCOME	222,217
MEMBER'S EQUITY AT BEGINNING OF YEAR	491,432
CONTRIBUTIONS	<hr/> 100,000
MEMBER'S EQUITY AT END OF YEAR	<hr/> <hr/> \$ 813,649

See accompanying notes to financial statements.

CASH FLOWS FROM FINANCING ACTIVITIES:

Contribution by member

100,000

NET CASH PROVIDED BY  
FINANCING ACTIVITIES

100,000

NET INCREASE IN CASH

336,719

CASH AT BEGINNING OF YEAR

300,409

CASH AT END OF YEAR

\$ 637,128

See accompanying notes to to financial statements.

WELTON STREET INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

1. Summary of Significant Accounting Policies

Organization

Welton Street Investments, LLC (a limited liability company) is the nation's leading NASD Member Broker/Dealer formed exclusively to provide commercial real estate professionals with the ability to offer their clients 1031 exchange advice and high quality Tenant-in-Common (TIC) Investments.

The Company is 100% owned by Welton Street Investments Group, LLLP which is not a broker dealer. These financial statements reflect the assets, liabilities, income, expenses and cash flows of Welton Street Investments, LLC only.

Cash and Cash Equivalents

Cash on hand and investments with original maturities of three months or less are classified as cash equivalents.

Accounts Receivable

Trade accounts receivable are stated at cost less an allowance for doubtful accounts. The Company estimates the allowance based on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. The Company's policy is not to accrue interest on accounts receivable. Accounts are written off as uncollectible at the time management determines that collection is unlikely.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated principally by the straight-line method using a useful life of one to five years. Maintenance and repairs are expensed as incurred. Major betterments are capitalized.

Income Taxes

The Company is not a taxpaying entity for federal or state income tax purposes. Accordingly, no income tax expense has been recorded in the financial statements. Income of the Company is taxed to the member in its tax return.

WELTON STREET INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

1. Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of temporary cash investments. The Company restricts temporary cash investments to financial institutions with high credit standing. Such temporary cash investments are often in excess of the FDIC insurance limit.

Advertising Costs

Advertising costs are expensed as incurred.

Use of 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 could differ from those estimates.

2. Transactions with Related Entities

The Company has advanced monies to a company that is owned by certain members of management. The balance due from this related party is \$104,183 at December 31, 2007. The Company expects repayment within the next year.

3. Note Receivable

The Company loaned money to an individual during 2007. The unsecured note accrues interest at 10% per annum and the principal and accrued interest is due on or before May 2, 2008. Interest income accrued on this note for the year ended December 31, 2007 was \$247.

WELTON STREET INVESTMENTS, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

4. Retirement Plan

During the year, the Company adopted a SIMPLE IRA plan that covers all of its employees. The Company matches the employees' contribution up to 1% of the employees' compensation, for those employees who are contributing to the plan via a salary reduction. The Company's matching contribution amounted to \$9,933 in 2007.

5. Statutory Requirements

Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain minimum net capital of \$15,998. At December 31, 2007, the Company's net capital was \$397,274.

The Company is exempt from certain provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 and, accordingly, is not required to maintain a "Special Account for Exclusive Benefit of Customers". Such exemption is in accordance with paragraph (k) (2) (i) of the Rule.

6. Commitment

Lease Commitment

The Company incurred rental expense of \$121,775 in 2007 under two non-cancelable operating sub-lease agreements for office space. Future minimum lease payments under these leases through July 2008 are:

2008	\$ 66,885
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WELTON STREET INVESTMENTS, LLC

SUPPLEMENTAL SCHEDULE OF COMPUTATION OF NET CAPITAL,  
MINIMUM NET CAPITAL REQUIRED, AND AGGREGATE INDEBTEDNESS

DECEMBER 31, 2007

MEMBER'S EQUITY	\$ 813,649
DEDUCTIONS:	
Non-allowable assets	<u>(416,375)</u>
NET CAPITAL	<u>\$ 397,274</u>
MINIMUM NET CAPITAL REQUIRED (greater of 6-2/3% of aggregate indebtedness or \$5,000)	<u>\$ 15,998</u>
AGGREGATE INDEBTEDNESS	
TOTAL LIABILITIES AND AGGREGATE INDEBTEDNESS	<u>\$ 239,854</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>.604:1</u>

The difference between the above net capital computation and the corresponding computation included in the Company's Form X-17A-5 Part IIA Filing is as follows:

Original Form X-17A-5 Part IIA filing:

Net Capital	\$ 401,819
Nonallowable deposit	<u>(4,545)</u>
Net capital per above computation	<u>\$ 397,274</u>

SCHEDULE I

WELTON STREET INVESTMENTS, LLC

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3

DECEMBER 31, 2007

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, since the Company's activities are limited to those which qualify for an exemption under paragraph (k) (2) (i) of the Rule.

SCHEDULE II

# HARDING AND HITTESDORF, P.C.

Certified Public Accountants

600 S. Cherry Street, Suite 815  
Denver, Colorado 80246  
(303) 393-0888  
FAX (303) 393-0894  
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February 21, 2008

To The Member  
Welton Street Investments, LLC  
Denver, Colorado

In planning and performing our audit of the financial statements of Welton Street Investments, LLC (the "Company") as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included 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 the 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 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 and 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.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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, as described in the second paragraph of this report, were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, 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.

  
HARDING AND HITTENDORF, P.C.  
Certified Public Accountants

**END**