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SECURITIES AND EXCHANGE COMMISSION <b>RECEIVED</b>  FEB 21 2008  BRANCH OF REGISTRATIONS AND EXAMINATIONS 02
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-65962

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, 2007 AND ENDING December 31, 2007  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CEA Media Group, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

101 E. Kennedy Blvd., Suite 3300  
(No. and Street)

Tampa  
(City)

Florida  
(State)

33602  
(Zip Code)

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

Brad Gordon

(813) 226-8844

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Kirkland, Russ, Murphy & Tapp

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

13577 Feather Sound Dr, Suite 400 Clearwater, FL 33762-5539  
(Address) (City) (State) (Zip Code)

**PROCESSED**

CHECK ONE:

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

FEB 25 2008

THOMSON  
FINANCIAL



FEB 21 2008

<b>FOR OFFICIAL USE ONLY</b>	Washington, DC 108
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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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Brad A. Gordon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CEA Media Group, LLC, as of December 31, 2007, 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:



Brad A. Gordon  
Signature

CEO  
Title

Lynn C. Serrano  
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of ~~Income (Loss)~~ Operations.
- (d) Statement of ~~Changes in Financial Condition~~ Cash Flows.
- (e) Statement of ~~Changes in Stockholders' Equity, Partners' or Sole Proprietors' Capital~~ 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).

# **CEA Media Group, LLC**

## **Financial Statements and Supplementary Information December 31, 2007**

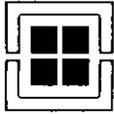
~~These financial statements and schedules should be deemed  
confidential pursuant to SEC Rule 17a-5 subparagraph (e)(3)~~

# CEA Media Group, LLC

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**KIRKLAND, RUSS,  
MURPHY & TAPP**

CERTIFIED PUBLIC ACCOUNTANTS

*A Professional Association*

**Report of Independent Certified Public Accountants**

To the Member of  
CEA Media Group, LLC:

We have audited the accompanying statement of financial condition of CEA Media Group, LLC (the Company) as of December 31, 2007, and the related statements of operations, member's equity and cash flows for the year 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 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 CEA Media Group, LLC as of 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kirkland, Russ, Murphy & Tapp P.A.*

Clearwater, Florida  
February 14, 2008

# CEA Media Group, LLC

## Statement of Financial Condition

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December 31, 2007

### Assets

Cash and cash equivalents	\$	515,948
Property and equipment, net		3,338
Deposit		<u>465</u>
Total assets	\$	<u>519,751</u>

### Liabilities

Accounts payable and accrued expenses	\$	<u>57,937</u>
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### Member's Equity

Member's capital, a membership unit issued & outstanding		1,000
Retained member's earnings		<u>460,814</u>
Total member's equity		<u>461,814</u>
Total liabilities and member's equity	\$	<u>519,751</u>

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

# CEA Media Group, LLC

## Statement of Operations

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For the year ended  
December 31, 2007

### Revenues

Interest	\$	6,653
Other income		35,000
Investment banking		<u>669,848</u>
Total revenues		711,501

### Operating Expenses

Commissions and employee benefits		537,149
Travel, entertainment and conventions		115,698
Rent, office and occupancy		108,000
Other administrative and operating expenses		11,578
Professional fees		<u>29,737</u>
Total operating expenses		<u>802,162</u>

### Net Loss

\$ (90,661)

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

# CEA Media Group, LLC

## Statement of Member's Equity

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	For the year ended December 31, 2007
Balance, December 31, 2006	\$ 552,475
Net loss	<u>(90,661)</u>
Balance, December 31, 2007	<u>\$ 461,814</u>

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

# CEA Media Group, LLC

## Statement of Cash Flows

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For the year ended  
December 31, 2007

### Cash Flows from Operating Activities

Net loss	\$ <u>(90,661)</u>
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation expense	2,932
Changes in operating assets and liabilities:	
Increase in deposit	(465)
Decrease in accounts payable and accrued expenses	<u>(32,860)</u>
Total adjustments	<u>(30,393)</u>
Net cash used by operating activities	<u>(121,054)</u>
Net decrease in cash and cash equivalents	(121,054)
Cash and cash equivalents at beginning of the period	<u>637,002</u>
Cash and cash equivalents at end of the period	<u>\$ 515,948</u>

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

# CEA Media Group, LLC

## Notes to Financial Statements

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### 1. Nature of Business:

CEA Media Group, LLC (the "Company") is a limited liability company organized on September 3, 2002 pursuant to the Delaware Limited Liability Company Law, whose sole member is CEA Group, LLC ("CEA"). The Company is ultimately owned and controlled by the J. Patrick Michaels, Jr. Family Trust (the "Trust") of which J. Patrick Michaels, Jr. is the sole trustee and has beneficial ownership interest. The Company provides investment banking and consulting services.

During September 2003, the Company became a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc. ("NASD").

During 2007, the "NASD" merged with the member regulation, enforcement and arbitration functions of the New York Stock Exchange creating The Financial Industry Regulation Authority ("FINRA").

### 2. Summary of Significant Accounting Policies:

#### Management Estimates and Assumptions

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 amount 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.

#### Cash and Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Company maintains cash balances in insured financial institutions. From time to time balances may exceed amounts insured by the Federal Deposit Insurance Corporation.

# CEA Media Group, LLC

## Notes to Financial Statements

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### Revenue Recognition

Investment banking revenues are recognized at the time the related transactions are completed. Any warrants received in connection with investment banking transactions are recorded at estimated fair value. Consulting revenues are recognized as the services are provided.

### Income Taxes

The Company is a single member limited liability corporation. Accordingly, the accompanying financial statements include no provision for income tax as the Company's income is reported for tax purposes by its sole member.

### Fair Value of Financial Instruments

The financial instruments of the Company are reported in the accompanying statement of financial condition at their carrying value, which approximate their fair values.

### 3. Regulatory Requirements:

The Company is subject to SEC 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. Net capital and the related ratio of aggregate indebtedness to net capital, as defined, may fluctuate on a daily basis. At December 31, 2007, the Company had net capital, as defined, of \$458,011, which was \$453,011 in excess of its required net capital of \$5,000. At December 31, 2007, the Company's ratio of aggregate indebtedness to net capital, as defined, was 0.13 to 1.

### 4. Related Party Transactions:

The Company paid \$ 9,000 per month to an affiliate entity under common ownership for administrative services, which is reflected as rent, office and occupancy in the accompanying statement of operations. For the year ended December 31, 2007, \$108,000 was paid to this affiliate for such administrative services.

Included in accounts payable and accrued expenses at December 31, 2007 is approximately \$44,000 due to affiliates under common control.

# CEA Media Group, LLC

## Notes to Financial Statements

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### 5. Concentration of Customers:

For the year ended December 31, 2007, the company's three largest customers, collectively, contributed approximately 36% of total revenue.

### 6. Property and Equipment:

Property and equipment at December 31, 2007 consists of the following:

	<u>2007</u>	<u>Estimated useful lives</u>
Office equipment	\$ 27,293	5 years
Furniture and fixtures	<u>1,468</u>	7 years
	28,761	
Less accumulated depreciation	<u>25,423</u>	
	<u>\$ 3,338</u>	

Depreciation expense was \$2,932 for the year ended December 31, 2007.

# CEA Media Group, LLC

## Schedule I – Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission

	Per Audited Financial Statements
<b>Computation of net capital:</b>	
Member's equity	\$ 461,814
Less nonallowable assets:	
Property and equipment	3,338
Deposit	<u>465</u>
Net capital	<u>\$ 458,011</u>
<b>Computation of aggregate indebtedness:</b>	
Items included in statement of financial condition:	
Accounts payable and accrued expenses	\$ 57,937
<b>Computation of basic net capital requirements:</b>	
Minimum net capital required –	
6 2/3% of aggregate indebtedness	\$ 3,862
Minimum net capital requirement	\$ 5,000
Net capital requirement	\$ 5,000
Net capital in excess of requirement	<u>453,011</u>
Net capital	<u>\$ 458,011</u>
<b>Ratio of aggregate indebtedness to net capital</b>	.13

A reconciliation with the Company's computation of net capital as reported in the amended unaudited Part IIA of Form X-17 A-5, dated February 13, 2008, was not prepared as there are no material differences between the Company's computation of net capital and the computation contained herein.

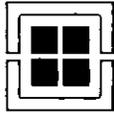
See accompanying report of independent certified public accountants and notes to financial statements.

## **CEA Media Group, LLC**

### **Schedule II – Computation for Determination of Reserve Requirements and Information Relating to Possession or Control Requirements under Rule 15c3-3**

The Company is not required to file the above schedule as it claims exemption from Rule 15c3-3 under Paragraph (k)(2)(i) of the Rule.

See accompanying report of independent certified public accountants and notes to financial statements.



**KIRKLAND, RUSS,  
MURPHY & TAPP**

CERTIFIED PUBLIC ACCOUNTANTS

*A Professional Association*

**Report of Independent Certified Public Accountants  
on Internal Control Required by SEC Rule 17a-5**

To the Member of  
CEA Media Group, LLC:

In planning and performing our audit of the financial statements of CEA Media Group, 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 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 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 accounting 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, FINRA, 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.

*Kirkland, Lewis, Murray & Jagg P.A.*

Clearwater, Florida  
February 14, 2008