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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

PROCESSED

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

SEC FILE NUMBER
8-61090

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 05/01/07 AND ENDING 04/30/08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: LOCKTON FINANCIAL ADVISORS, LLC SEC Mail Processing Section OFFICIAL USE ONLY

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

444 W 47<sup>th</sup> St, Suite 900  
(No. and Street)

KANSAS CITY MO Washington, DC  
(City) (State) (Zip Code)

111 64112  
(Zip Code)

JUL 1 6 2008

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\*

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

1000 WALNUT, SUITE 1000 KANSAS CITY MO 64112  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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)

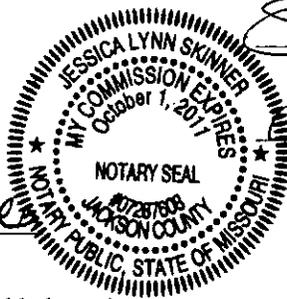
22-7

OATH OR AFFIRMATION

I, SHANE C. BERTHOUD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LOXTON FINANCIAL ADVISERS, LLC, as of APRIL 30, 2008, 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:

NONE

Jessica Lynn Skinner Notary Public  
Shane C. Berthoud Signature  
CEO, Fude 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).



Financial Industry Regulatory Authority

July 9, 2008

Mr. Shane Brethowr  
Chief Compliance Officer  
Lockton Financial Advisors, LLC  
444 West 47<sup>th</sup> Street, Suite 900  
Kansas City, MO 64112

RE: Lockton Financial Advisors, LLC  
Annual Audit Filing Deficiency

Dear Mr. Brethowr:

FINRA is in receipt of the April 30, 2008, annual filing of audited financial statements for Lockton Financial Advisors, LLC made pursuant to Securities and Exchange Commission Rule 17a-5(d) (hereinafter "the Rule"). However, this audit report, as submitted, is deficient in that it did not contain the following:

An **original** (not a copy) Oath or Affirmation (Signed by a duly authorized officer, general partner, or proprietor of the member firm; and notarized) [SEC Rule 17a-5(e)(2)].

Based on the above referenced deficiencies, your filing does not comply with the requirements of the Rule. The text of the Rule is reproduced in the FINRA/NASD Manual under the section styled "SEC Rules & Regulation T." We suggest that you review the manual and associated text with your independent accountant.

Pursuant to the provisions of FINRA/NASD Procedural Rule 8210, we request that you immediately send one copy of each of the items listed above to this office and your SEC Regional and Washington, DC Offices. Please note that your submissions must include a newly completed Annual Audit Report Form X-17A-5 Part III Facing Page, with relevant signatures, a copy of which is enclosed for your convenience.

Please respond to this matter by July 30, 2008. Should you have any questions with regard to the foregoing, please do not hesitate to contact the undersigned at (816) 802-4734.

Sincerely,

A handwritten signature in black ink that reads "Bryan J. Varvel". The signature is written in a cursive style.

Bryan J. Varvel  
Regulatory Coordinator

/cw

Enclosure [Form X-17A-5 Part III Facing Page]

Investor protection. Market integrity.

140 West 12th Street, Suite 800  
Kansas City, MO 64105

T 816 421 5700  
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www.finra.org

Mr. Shane Brethowr  
Lockton Financial Advisors, LLC  
July 9, 2008  
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cc: Ms. Merri Jo Gillette  
Regional Director  
Midwest Regional Office  
Securities and Exchange Commission  
175 West Jackson Blvd., Suite 900  
Chicago, IL 60604

KPMG, LLP  
1000 Walnut Street, Suite 1000  
Kansas City, MO 64112

END