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

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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, 2008 AND ENDING December 31, 2008 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Financial Advisers of America, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

1930 Palomar Point Way, Suite 104

(No. and Street)

Carlsbad,

CA

92008

(City)

(State)

(Zip Code)

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

Jill Lukehart

760-444-6305

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Elizabeth Tractenberg, CPA

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

3832 Shannon Road

Los Angeles,

CA

90027

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- [x] 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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Jill Lukehart, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Advisers of America, LLC, as of December 31, 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

Jill Lukehart

Signature

Chief Compliance Officer / EVP

Title

Notary Public

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

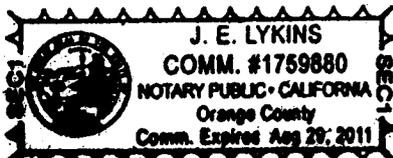
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) 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.
- (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).

State of California  
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 25th  
day of February, 2009, by JILL LUKEHART

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

Signature

J. E. Lykins

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2008

FINANCIAL ADVISERS OF AMERICA, LLC

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### PART II

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**Elizabeth Tractenberg, CPA**  
3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/669-0575  
INDEPENDENT AUDITOR'S REPORT

**Members**  
Financial Advisers of America, LLC  
Carlsbad, California

I have audited the accompanying statement of financial condition of Financial Advisers of America, LLC (the Company) as of December 31, 2008 and related statements of operations, cash flows, and changes in members' equity for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. 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. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2008 and the results of its operations, cash flows and members' equity for the year then ended in conformity with accounting principles generally accepted in the United States.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental information on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Page 10 includes supplemental information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Elizabeth Tractenberg, CPA  
Los Angeles, California  
February 11, 2009

FINANCIAL ADVISERS OF AMERICA, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2008

ASSETS

Cash and equivalent	\$ 251,164
Clearing broker deposit	151,200
Receivable from clearing broker	31,870
Commissions receivable	118,779
Other receivables	12,035
Investments	51,519
Other assets and deposits	5,078
Furniture, fixtures and equipment net of accumulated depreciation of \$4,437	<u>26,335</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 647,980</u></b>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Commissions payable	\$ 140,898
Accrued expenses	16,379
Income taxes payable	<u>12,000</u>

**TOTAL LIABILITIES** 169,277

MEMBERS' EQUITY

Paid-in capital	\$ 1,223,500	
Retained earnings	<u>(744,797)</u>	<u>478,703</u>

**TOTAL LIABILITIES AND MEMBERS' EQUITY** **\$ 647,980**

See Accompanying Notes to Financial Statements

FINANCIAL ADVISERS OF AMERICA, LLC  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**REVENUES**

Commission income	\$ 4,047,510
Investment advisory fees	410,460
Interest income	5,444
Unrealized gain (loss) on investments	(86,452)
Other income	0
<b>TOTAL REVENUES</b>	<u>4,376,962</u>

**OPERATING EXPENSES**

Commissions expense	3,552,264
Computer and software fees	92,350
Clearing fees	24,142
Depreciation	4,187
Insurance	38,047
Interest expense	1,233
Licenses and permits	12,800
Office expense	60,027
Outside services	13,875
Payroll and related expenses	515,860
Professional fees	31,859
Regulatory fees	25,081
Rent	104,803
Taxes and licenses	19,209
Telephone	12,135
Travel and entertainment	16,976
Utilities	5,390
All other	36,384
<b>TOTAL OPERATING EXPENSES</b>	<u>4,566,622</u>

**INCOME (LOSS) BEFORE INCOME TAX  
PROVISION** (189,660)

**INCOME TAX PROVISION** 12,590

**NET INCOME (LOSS)** \$ (202,250)

See Accompanying Notes to Financial Statements

FINANCIAL ADVISERS OF AMERICA, LLC  
 STATEMENT OF CHANGES IN MEMBERS' EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Paid-In Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
<b>Balance, December 31, 2007</b>	\$ 743,500	\$ (542,547)	\$ 200,953
<b>Capital contribution</b>	480,000		480,000
<b>Net Income (loss)</b>	_____	(202,250)	(202,250)
<b>Balance, December 31, 2008</b>	<u>\$ 1,223,500</u>	<u>\$ (744,797)</u>	<u>\$ 478,703</u>

See Accompanying Notes to Financial Statements

FINANCIAL ADVISERS OF AMERICA, LLC  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2008

<b>Cash Flows from Operating Activities:</b>	
Net income (loss)	\$ (202,250)
Depreciation	4,187
<b>Changes in operating assets and liabilities:</b>	
Clearing broker deposit	(30,177)
Receivable from clearing broker	(30,142)
Commissions receivable	(53,238)
Other receivables	(12,035)
Other assets and deposits	3,118
Commissions payable	44,377
Accrued expenses	14,793
Income taxes payable	<u>6,000</u>
<b>Net cash used in operating activities</b>	<b>(255,367)</b>
<b>Cash Flows for Investing Activities:</b>	
Investments in equities	(51,519)
Purchases of property and equipment	<u>(28,272)</u>
<b>Net Cash Used in Investing Activities</b>	<b><u>(79,791)</u></b>
<b>Cash Flows from Financing Activities:</b>	
Capital contribution	<u>480,000</u>
<b>Net Cash Flows from Financing Activities</b>	<b><u>480,000</u></b>
<b>Net increase in cash</b>	<b>144,842</b>
<b>Cash at beginning of year</b>	<b><u>106,322</u></b>
<b>Cash at end of year</b>	<b><u><u>\$ 251,164</u></u></b>

**SUPPLEMENTAL INFORMATION**

Interest paid	<u>\$ 1,233</u>
Income taxes paid	<u>\$ 12,800</u>

See Accompanying Notes to Financial Statements

FINANCIAL ADVISERS OF AMERICA, LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 1 - NATURE OF BUSINESS**

Financial Advisers of America, LLC (the "Company") was incorporated in the State of California on June 23, 2006 under the name of Independent Financial Advisors of America, LLC. Subsequently, on September 29, 2006 the Company's name was changed to Financial Advisors of America, LLC. It was changed again on May 24, 2007 to Financial Advisers of America, LLC. The Company is registered with the Securities and Exchange Commission as a broker-dealer in securities. The application to NASD/FINRA was approved on March 5, 2007.

The Company has an agreement with clearing brokers to clear securities transactions, carry customers' accounts and perform certain recordkeeping functions. Accordingly, the Company operates under the exemptive provisions of Securities and Exchange Commission (SEC) Rule 15c3-3 (k) (2) (ii). As a result, the Company is exempt from certain provisions and requirements of the Securities Exchange Commission.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 original maturities of three months or less to be cash equivalents.

**Investments** - Investments in securities are valued at cost.

**Property, Equipment and Depreciation** - Property and equipment are carried at cost. Depreciation is calculated using a modified accelerated cost recovery system. The estimated lives of the depreciable assets range from five to seven years.

FINANCIAL ADVISERS OF AMERICA, LLC  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Revenue Recognition** - The Company recognizes revenue upon rendering of services.

**Income taxes** - The Company files its income tax returns as a Limited Liability Company (LLC).

NOTE 3 - NET CAPITAL REQUIREMENT

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital (\$100,000), as defined, under such provisions. See page 11 for the computation of net capital.

NOTE 4 - DEPOSIT - CLEARING ORGANIZATION

The Company has an agreement with a clearing broker which requires a clearing deposit of \$75,000 and that a minimum net capital of \$195,000 be maintained, as computed in accordance with SEC Rule 15c3-1.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Company leases facilities in the County of San Diego under a long-term lease agreement expiring through 2016. The annual rental commitments for years ending December 31 are as follows:

2009	\$ 110,463
2010	113,785
2011	117,108
2012	120,513
After	<u>484,460</u>
	<u>\$ 946,329</u>

FINANCIAL ADVISERS OF AMERICA, LLC  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2008

**NOTE 9 – OFF BALANCE-SHEET RISK**

The customers' securities transactions are introduced on a fully disclosed basis with its clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customers' transactions. Off balance-sheet risk exists with respect to these transactions due to the possibility that a customer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and to ensure that customer transactions are executed properly by the clearing broker-dealer.

**NOTE 10 - COMPUTATION OF DETERMINATION OF RESERVE REQUIREMENTS PER RULE 15c3-3**

A computation of reserve requirements is not applicable to the Company as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii). All customer transactions are cleared through a clearing firm on a fully disclosed basis.

**NOTE 11 - INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS PER RULE 15c3-3**

Information relating to possession or control requirements is not applicable to the Company as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii). All customer transactions cleared through a clearing firm on a fully disclosed basis.

FINANCIAL ADVISERS OF AMERICA, LLC  
 COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT  
 TO RULE 15c3-1  
 DECEMBER 31, 2008

**COMPUTATION OF NET CAPITAL**

Total ownership equity from statement of financial condition		\$ 478,703
<b>Nonallowable assets:</b>		
Other receivables	\$ 12,035	
Other assets and deposits	5,078	
Furniture, fixtures and equipment net of accumulated depreciation of \$250	26,335	(43,448)
Hair-cuts		(8,926)
 <b>NET CAPITAL</b>		 <b>\$ 426,329</b>

**COMPUTATION OF NET CAPITAL REQUIREMENTS**

Minimum net aggregate indebtedness - 6-2/3% of net aggregate indebtedness		\$ 11,285
 Minimum dollar net capital required		 \$ 100,000
 Net Capital required (greater of above amounts)		 \$ 100,000

**EXCESS CAPITAL**

Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)		\$ 409,401
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**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total liabilities		\$ 169,277
 Percentage of aggregate indebtedness to net capital		 39.71%

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

NET CAPITAL PER COMPANY'S COMPUTATION		\$ 451,982
<b>VARIANCE -</b>		
Increase in accounts receivable - allowable		54,623
Increase in accrued expenses		(79,077)
Hair cut - undue concentration		(1,199)
Rounding		0
<b>NET CAPITAL PER AUDITED REPORT</b>		<b>\$ 426,329</b>

See Accompanying Notes to Financial Statements

PART II

FINANCIAL ADVISERS OF AMERICA, LLC

STATEMENT OF INTERNAL CONTROL

DECEMBER 31, 2008

**Elizabeth Tractenberg, CPA**

3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/669-0575

Independent Auditor's Report  
on Internal Accounting Control Required by SEC Rule 17a-5

To the Members  
Financial Advisers of America, LLC  
Carlsbad, California

In planning and performing my audit of the financial statements and supplemental schedules of Financial Advisers of America, LLC (the Company) for the year ended December 31, 2008, I considered its internal control, including control activities 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 internal control.

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 the Company including tests of such practices and procedures that I 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-5(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, I 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
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 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

To the Members  
Financial Advisers of America, LLC  
Carlsbad, California

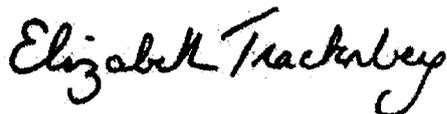
authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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.

My 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, I noted no matters involving internal control, including control activities for safeguarding securities that I consider to be material weaknesses 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 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 my study, I believe that the Company's practices and procedures were adequate on December 31, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, 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 for anyone other than these specified parties.



Elizabeth Tractenberg, CPA  
Los Angeles, California  
February 11, 2009