

SECURITI



09040210

ON

cm

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
B- 066312

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**

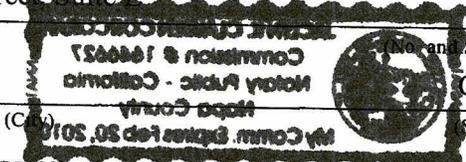
NAME OF BROKER-DEALER: Global Wine Partners (U.S.) LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

899 Adams Street, Suite E

St. Helena



(City and Street)

CA

94574

(State)

(Zip Code)

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

Mike Fisher

(707) 967-5314

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Breard & Associates, Inc., Certified Public Accountants

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

9221 Corbin Avenue Suite 170

Northridge

CA

91324

(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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC  
Mail Processing  
Section  
MAR 10 2009  
Washington, DC  
100

1/30

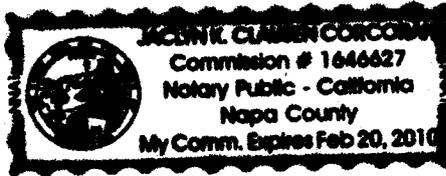
OATH OR AFFIRMATION

I, Mike Fisher, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Global Wine Partners (U.S.) 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:

State of California County of Napa Subscribed and sworn (or affirmed) to before me this 7th day of Jan, 2009, by satisfactory evidence to be the person(s) who appeared before me.

Mike Fisher  
Signature  
CFO  
Title

John C. Laugen  
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 Changes in 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 15c3-3 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).

**BREARD & ASSOCIATES, INC.**  
Certified Public Accountants

Independent Auditor's Report

Board of Directors  
Global Wine Partners (U.S.) LLC:

We have audited the accompanying statement of financial condition of Global Wine Partners (U.S.) LLC (the Company), as of December 31, 2008, and the related statements of operations, changes in members' 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 Global Wine Partners (U.S.) LLC as of December 31, 2008, 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, and III 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.

*Breard & Associates, Inc.*

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
February 25, 2009

***We Focus & Care<sup>SM</sup>***

**Global Wine Partners (U.S.) LLC**  
**Statement of Financial Condition**  
**December 31, 2008**

**Assets**

Cash & cash equivalents	\$ 332,704
Accounts receivable	229,551
Receivable from member	<u>99,012</u>
<b>Total assets</b>	<b><u>\$ 661,267</u></b>

**Liabilities and Members' Equity**

**Liabilities**

Income taxes payable	<u>\$ 6,000</u>
<b>Total liabilities</b>	6,000

<b>Members' equity</b>	<u>655,267</u>
<b>Total liabilities and members' equity</b>	<b><u>\$ 661,267</u></b>

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

**Global Wine Partners (U.S.) LLC**  
**Statement of Operations**  
**For the Year Ended December 31, 2008**

**Revenues**

Management and investment advisory income	\$ 2,375,887
Interest income	<u>6,906</u>
<b>Total revenues</b>	<b>2,382,793</b>

**Expenses**

Employee compensation and benefits	1,965,806
Professional fees	24,812
Occupancy and equipment rental	185,313
Other operating expenses	<u>212,925</u>
<b>Total expenses</b>	<b><u>2,388,856</u></b>
<b>Net income (loss) before income tax provision</b>	<b>(6,063)</b>
<b>Income tax provision</b>	<b><u>6,800</u></b>
<b>Net income (loss)</b>	<b><u><u>\$ (12,863)</u></u></b>

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

**Global Wine Partners (U.S.) LLC**  
**Statement of Changes in Members' Equity**  
**For the Year Ended December 31, 2008**

	<u>Members'</u> <u>Equity</u>
<b>Balance at December 31, 2007</b>	\$ 668,130
<b>Net income (loss)</b>	<u>(12,863)</u>
<b>Balance at December 31, 2008</b>	<u>\$ 655,267</u>

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

**Global Wine Partners (U.S.) LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

**Cash flows from operating activities:**

Net income (loss)		\$ (12,863)
Adjustments to reconcile net income (loss) to net cash and cash equivalents provided by (used in) operating activities:		
(Increase) decrease in:		
Accounts receivable	\$ (168,413)	
Receivable from member	2,165	
(Decrease) increase in:		
Accounts payable	<u>(12,260)</u>	
Total adjustments		<u>(178,508)</u>
<b>Net cash and cash equivalents provided by (used in) operating activities</b>		<b>(191,371)</b>
<b>Cash flows from investing activities:</b>		<b>—</b>
<b>Cash flows from financing activities:</b>		<b><u>—</u></b>
<b>Net increase (decrease) in cash</b>		<b>(191,371)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b><u>524,075</u></b>
<b>Cash and cash equivalents at end of the period</b>		<b><u><u>\$ 332,704</u></u></b>

**Supplemental disclosure of cash flow information:**

Cash paid during the period for:

Interest		\$ —
Income taxes		\$ 6,800

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

**Global Wine Partners (U.S.) LLC**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 1: GENERAL & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Global Wine Partners (U.S.) LLC (the "Company") was organized in the State of California in December 2003 as MKF Capital Advisors. On August 9, 2004, the Company changed its name to Global Wine Partners (U.S.) LLC. The Company is a Limited Liability Company operating as a registered broker-dealer in securities under the Securities and Exchange Act of 1934.

The Company is also an investment banking advisory boutique focused on providing advisory services to companies and financial buyers relating to mergers and acquisitions, corporate finance matters, as well as business valuation and litigation services. The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

Effective January 1, 2008 the Company reorganized its ownership configuration whereby the single member ownership structure has been replaced with multiple owners. The restructured organization has three members, two of which also have ownership interests in related entities, GWP US Partners LLC ("Partners") and MKF Properties ("MKF").

*Summary of Significant Accounting Policies*

The presentation 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company also includes a money market account as cash equivalent.

Accounts receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Financial advisory fees are recognized as earned according to the fee schedule stipulated in the client's engagement contracts. Success fees are recognized upon the execution of the transactions relating to those fees.

**Global Wine Partners (U.S.) LLC**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 1: GENERAL & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

The Company, with the consent of its members, has elected to be a California Limited Liability Company. For tax purposes the Company is treated like a partnership, therefore in lieu of business income taxes, the members are taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar treatment, although there exists a provision for a minimum Franchise Tax of \$800 and a gross receipts fee.

**Note 2: INCOME TAXES**

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company was organized as a Limited Liability Company, therefore no federal income tax provision is provided. All tax effects of the Company's income or loss are passed through to the member individually. The Company recorded \$6,800 in its state tax provision in accordance with California Limited Liability Company regulations.

**Note 3: PROFIT SHARING PLAN**

On March 2, 2006 the Member adopted a 401(k) Profit Sharing Plan, effective January 1, 2006, for the exclusive benefit of all eligible employees and their beneficiaries. In order to be eligible for the annual contributions, employees must have attained age twenty one (21), and have completed six (6) months of service. The Plan allows eligible employees to defer part of their income on a tax-deferred basis into the Plan. Total employer contributions made for the year ended December 31, 2008 were \$4,290.

**Note 4: RELATED PARTY TRANSACTIONS**

Payroll for the company is carried on the books of Partners, and the Company reimburses Partners for those costs. In addition, other costs and expenses are paid by the Company and charged to Partners for reimbursement. At December 31, 2008, the amount receivable from Partners for such expenses was \$99,012.

The Company has entered into an operating lease agreement with MKF for an office space under a noncancellable lease which commenced on January 1, 2008 and will expire on December 31, 2010. Total rent expense for the year ended December 31, 2008 was \$154,819.

**Global Wine Partners (U.S.) LLC**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 4: RELATED PARTY TRANSACTIONS**

(Continued)

The Company has also entered into an equipment operating lease agreement with MKF for office equipment which commenced on January 1, 2008 and will expire on December 31, 2012. Total rent expense for the year ended December 31, 2008 under this lease was \$30,494.

**Note 5: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 6: RECENTLY ISSUED ACCOUNTING STANDARDS**

For the year ending December 31, 2008, various accounting pronouncements or interpretations by the Financial Accounting Standards Board were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The company has reviewed the following Financial Interpretation ("FIN") and Statements of Financial Accounting Standards ("SFAS") for the year to determine relevance to the Company's operations:

<u>Statement Number</u>	<u>Title</u>	<u>Effective Date</u>
FIN 48	Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109	After 12/15/07
SFAS 141(R)	Business Combinations	After 12/15/08
SFAS 157	Fair Value Measurements	After 12/15/07
SFAS 160	Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51	After 12/15/07
SFAS 161	Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133	After 12/15/08

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Global Wine Partners (U.S.) LLC**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 7: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 aggregate indebtedness change day to day, but on December 31, 2008, the Company had net capital of \$323,539, which was \$318,539 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$6,000) to net capital was 0.02 to 1, which is less than the 15 to 1 maximum ratio allowed for a broker/dealer.

**Note 8: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS**

There is a difference of \$5,999 between the computation of net capital under net capital SEC. Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule	\$ 329,538
Adjustments:	
Member's equity	<u>(5,999)</u>
Total adjustments	<u>(5,999)</u>
Net capital per audited statements	<u><u>\$ 323,539</u></u>

**Global Wine Partners (U.S.) LLC**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2008**

**Computation of net capital**

<b>Member's equity</b>		\$ 655,267
Less: Non allowable assets		
Account receivable	\$ (229,551)	
Receivable from member	<u>(99,012)</u>	
Net adjustments		<u>(328,563)</u>
<b>Net capital before haircuts</b>		326,704
Less: Haircuts and undue concentration		
Haircut on money market	<u>(3,165)</u>	
Total adjustments		<u>(3,165)</u>
<b>Net capital</b>		323,539

**Computation of net capital requirements**

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 400	
Minimum dollar net capital required	\$ 5,000	
Net capital required (greater of above)		<u>5,000</u>

**Excess net capital**

\$ 318,539

Ratio of aggregate indebtedness to net capital 0.02:1

There was a difference of \$5,999 between net capital shown here and net capital as reported on the Company's unaudited Form X-17A-5 report dated December 31, 2008. See Note 8.

*See independent auditor's report.*

**Global Wine Partners (U.S.) LLC**  
**Schedule II - Computation for Determination of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2008**

A computation of reserve requirements is not applicable to Global Wine Partners (U.S.) LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(i).

*See independent auditor's report.*

**Global Wine Partners (U.S.) LLC**  
**Schedule III - Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2008**

Information relating to possession or control requirements is not applicable to Global Wine Partners (U.S.) LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(i).

*See independent auditor's report.*

**Global Wine Partners (U.S.) LLC**  
**Supplementary Accountant's Report**  
**on Internal Accounting Control**  
**Report Pursuant to 17a-5**  
**For the Year Ended December 31, 2008**

**BREARD & ASSOCIATES, INC.**  
Certified Public Accountants

Board of Directors  
Global Wine Partners (U.S.) LLC:

In planning and performing our audit of the financial statements of Global Wine Partners (U.S.) LLC (the Company), as of and for the year ended December 31, 2008, 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 judgements 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.

i

***We Focus & Care<sup>SM</sup>***

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, 2008, 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.



Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
February 25, 2009

**Global Wine Partners (U.S.) LLC**

**Report Pursuant to Rule 17a-5 (d)**

**Financial Statements**

**For the Year Ended December 31, 2008**