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

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

SEC FILE NUMBER  
B-06211



09057360

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

SEC Mail Processing  
Section

MAR 02 2009

Washington, DC

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 1/1/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Walter Greenblatt & Associates, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

430 NASSAU STREET

(No. and Street)

PRINCETON

(City)

NJ

(State)

08540

(Zip Code)

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\*

LEHMAN, NEWMAN & FLYNN CPA'S

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

14 PENN PLAZA, SUITE 2220

(Address)

NEW YORK, NY

(City)

(State)

10001

(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)

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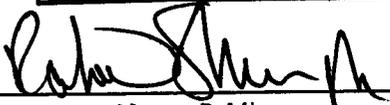
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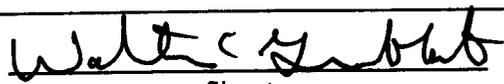
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OATH OR AFFIRMATION

I, WALTER GREENBLATT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WALTER GREENBLATT & ASSOCIATES, 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:

ROBERT SHERRIER, JR.  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
MY COMMISSION EXPIRES MAY 30, 2011

  
Notary Public

  
Signature  
  
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).

**WALTER GREENBLATT & ASSOCIATES, LLC**

**INDEPENDENT AUDITORS' REPORT**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**

**LEHMAN, NEWMAN & FLYNN**  
**CERTIFIED PUBLIC ACCOUNTANTS**

WALTER GREENBLATT & ASSOCIATES, LLC  
INDEPENDENT AUDITORS' REPORT  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008

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# LEHMAN, NEWMAN & FLYNN

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BARRY NEWMAN, C.P.A.

SCOTT P. FLYNN, C.P.A.

LAWRENCE A. VOLLARO, C.P.A.

Members:

American Institute of CPAs  
New York State Society of CPAs

To the Member of  
Walter Greenblatt & Associates, LLC  
Princeton, NJ

We have audited the accompanying statement of financial condition of Walter Greenblatt & Associates, LLC as of December 31, 2008, and the related statements of income, 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 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 Walter Greenblatt & Associates, LLC as of December 31, 2008, and the results of their operations and their cash flows for the year then ended in conformity with accounting principle generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The information contained in Schedules I, II, III and IV, 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.

*Lehman, Newman & Flynn*

February 16, 2009

WALTER GREENBLATT & ASSOCIATES, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2008

ASSETS

Current assets:	
Cash	\$195,401
Accounts receivable	22,847
Prepaid expenses	<u>6,356</u>
Total current assets	224,604
Investments in Advanced BioHealing	50,062
Investment in Azure Therapeutics	<u>67,350</u>
Total assets	<u>\$342,016</u>

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:	
Accrued expenses	\$ 62,876
Bank overdraft	<u>7,839</u>
Total current liabilities	<u>70,715</u>
Members' equity	<u>271,301</u>
Total liabilities and members' equity	<u>\$342,016</u>

The accompanying notes and accountants' audit report  
are an integral part of this statement.

WALTER GREENBLATT & ASSOCIATES, LLC  
STATEMENT OF INCOME AND CHANGES IN MEMBERS' EQUITY  
YEAR ENDED DECEMBER 31, 2008

Revenue	<u>\$ 853,395</u>
Operating expenses:	
Pension expense	339,021
Officers salary	229,560
Professional fees	48,084
Employee salaries	39,797
Travel expenses	19,656
Payroll taxes	15,690
Outside services	14,600
Office supplies and expense and other	12,958
Insurance expense	9,825
Telephone expense	7,913
Dues and subscriptions	7,480
Meals and Entertainment	4,447
Auto expense	<u>2,823</u>
Total operating expenses	<u>751,854</u>
Net income before depreciation	\$ 101,541
Depreciation	<u>3,311</u>
Net income	98,230
Members' equity January 1, 2008	423,071
Distributions	<u>(250,000)</u>
Members' equity – December 31, 2008	<u>\$ 271,301</u>

The accompanying notes and accountants' audit report  
are an integral part of this statement.

WALTER GREENBLATT & ASSOCIATES, LLC  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2008

Cash flows from operating activities:	
Net income	\$ 98,230
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	3,311
Accounts receivable	(141)
Prepaid expenses	(3,364)
Accrued expenses	<u>62,458</u>
Net cash provided by operating activities	<u>160,494</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(3,311)</u>
Net cash used in investing activities	<u>(3,311)</u>
Cash flows from financing activities:	
Distributions to member	<u>(250,000)</u>
Net (decrease) in cash	(92,817)
Cash at beginning of year	<u>280,379</u>
Cash at end of year	<u>\$ 187,562</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for interest	<u>\$ -0-</u>
Cash paid during the year for taxes	<u>\$ -0-</u>

The accompanying notes and accountants' audit report  
are an integral part of this statement.

WALTER GREENBLATT & ASSOCIATES, LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008

1. Summary of Significant Accounting Policies

**BUSINESS DESCRIPTION**

Walter Greenblatt & Associates, LLC offers business consulting and investment banking services to public and private, middle market and early stage companies in the biotech and healthcare related sectors. Consulting services include business plan development, strategic planning and market research and valuation.

**USE OF ESTIMATES**

The preparation of the financial statements, in conformity with generally accepted accounting principles, 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**INCOME TAXES**

The Company, with the consent of its shareholder, elected to be taxed under Subchapter S, of the Internal Revenue Code for federal income tax purposes. Under the provisions of Subchapter S, the Corporation does not pay federal corporate income taxes on its taxable income. Corporate income or loss of any tax credits earned are included in the shareholders' individual income tax returns.

**REVENUE RECOGNITION**

The Company recognizes revenue when services are performed.

**METHOD OF ACCOUNTING**

The financial statements have been prepared on the accrual basis of accounting.

2. Investment in Advanced BioHealing, Inc.

Advanced BioHealing, Inc. is a biomedical company commercializing products based on its proprietary cell culture and tissue preservation technologies. Celaderm, the company's lead product, may represent a significant step forward in advanced wound care technology. It is expected to be less expensive to produce and easier to inventory at the point of care than many other bioengineered skin products. The investment is stated at cost.

3. Investment in Azure Therapeutics

Azure Therapeutics is a seed stage company that has developed a proprietary topical non-antihistamine, non-steroidal product for the relief of chronic itch. The investment represents a conversion from accounts receivable based on an agreement with the company and is stated at cost.

WALTER GREENBLATT & ASSOCIATES, LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008

(CONTINUED)

4. Net Capital

As a broker dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital as derived, not exceeding 15 to 1. The Company's net capital is computed under Rule 15c3-1, was \$124,686 at December 31, 2008, which exceeded required net capital of \$5,000 by \$119,686. The ratio of aggregate indebtedness to net capital at December 31, 2008 was 56.8%.

5. Pension Plan

The Company maintains a qualified defined benefit pension plan. The company's policy is to fund, at a minimum, the amount necessary on an actuarial basis to provide for benefits in accordance with the requirements of the Employee Retirement Income Security Act of 1974. Pension benefits are generally based on years of service and/or compensation.

The Company implemented a 401k plan in 2008.

6. Concentration of Credit Risk

Cash

At times during the year, the Company had cash balances in financial institutions that exceed Federal depository insurance limits. Management believes that credit risk related to these deposits is minimal.

Accounts Receivable

Accounts receivable from trade customers are generally due within thirty days. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. 100% of the company's total sales were made to four customers. At December 31, 2008 the reserve for bad debt is \$-0-.

**WALTER GREENBLATT & ASSOCIATES, LLC**  
**SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

SCHEDULE 1

WALTER GREENBLATT & ASSOCIATES, LLC

COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL  
PURSUANT TO RULE 15c3-1

DECEMBER 31, 2008

Total ownership equity from statement of financial condition	\$ 271,301
Total nonallowable assets from statement of financial condition	<u>146,615</u>
Net capital before haircuts on securities positions	124,686
Haircuts on securities	<u>204</u>
Net capital	\$ <u>124,482</u>
Aggregate indebtedness:	
Total A.I. liabilities from statement of financial condition	\$ <u>70,715</u>
Total aggregate indebtedness	<u>70,715</u>
Percentage of aggregate indebtedness to net capital	<u>56.8%</u>
Computation of basic net capital requirement:	
Minimum net capital required (6.67% of A.I.)	<u>4,716</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>5,000</u>
Net capital requirement	<u>5,000</u>
Excess net capital	<u>119,482</u>
Excess net capital at 1000%	\$ <u>117,410</u>

SCHEDULE 1 (CONTINUED)

WALTER GREENBLATT & ASSOCIATES, LLC

RECONCILIATION OF NET CAPITAL PURSUANT TO RULE 15C3-1  
(X-17A-5)

AT DECEMBER 31, 2008

	Focus Report- Part IIA Period ended <u>December 31, 2008</u>	<u>Adjustments</u>	Annual Financial Statements At <u>December 31, 2008</u>
<b>COMPUTATION OF NET CAPITAL</b>			
Total ownership equity from statement of financial condition (adjustment reflects pension accrual)	\$ <u>284,133</u>	\$ <u>(12,832)</u>	\$ <u>271,301</u>
Deductions and/or charges;			
Total nonallowable assets from statement of financial condition	155,927	(9,312)	146,615
Haircuts on securities	<u>-</u>	<u>(204)</u>	<u>(204)</u>
Total deductions	<u>155,927</u>	<u>(9,516)</u>	<u>146,411</u>
Net capital	\$ <u>128,206</u>	\$ <u>(3,316)</u>	\$ <u>124,482</u>

**SCHEDULE II**

**WALTER GREENBLATT & ASSOCIATES, LLC**

**INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3**

**DECEMBER 31, 2008**

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the timeframes specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under rule 15c3-3.

**SCHEDULE III**

**WALTER GREENBLATT & ASSOCIATES, LLC**

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN  
SEGREGATION FOR CUSTOMERS' REGULATED  
COMMODITY FUTURES AND OPTION ACCOUNTS**

**DECEMBER 31, 2008**

The Company claims exemption from the segregation requirements of the Commodities Futures Act since it has no commodity customers as the term is defined in Regulation 1.3(k).

**SCHEDULE IV**

**WALTER GREENBLATT & ASSOCIATES, LLC**

**COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER  
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

**DECEMBER 31, 2008**

Walter Greenblatt & Associates, LLC, is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited, such that they do not handle customer funds or securities. Accordingly, the computation for determination of reserve requirements pursuant to rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

# LEHMAN, NEWMAN & FLYNN

CERTIFIED PUBLIC ACCOUNTANTS

14 PENN PLAZA

SUITE 2220

NEW YORK, NEW YORK 10122

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Members:  
American Institute of CPAs  
New York State Society of CPAs

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

Member of  
Walter Greenblatt & Associates, LLC

In planning and performing our audit of the financial statements and supplemental schedules of Walter Greenblatt & Associates, LLC (the Company), for the year ended December 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our 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), we have made a study of the practices and procedures followed by the Company including 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 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
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 of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an 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 objective. 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 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, errors 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.

Our 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 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, our study and evaluation disclosed that a lack of segregation of function exists. Although this condition may be considered to be a material weakness in internal control, it is common condition in entities of this size. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in or audit of the financial statement of Walter Greenblatt & Associates, LLC for the year ended December 31, 2008 and this report does not affect our report thereon dated February 16, 2009.

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 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 Securities and Exchange Commission, the National Association of Securities Dealers Regulation, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Lehman, Newman & Flynn*  
Certified Public Accountants  
New York, NY  
February 16, 2009