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

SEC FILE NUMBER
8- 51249

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 01-01-08 (MM/DD/YY) AND ENDING 12-31-08 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GRANT WILLIAMS, L.P.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

ONE LIBERTY PLACE, 1650 MARKET STREET - 53rd FLOOR
(No. and Street)

PHILADELPHIA (City) PA (State) 19103 (Zip Code)

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

STEVEN T. GRANT 215-564-2802
(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BRINKER, SIMPSON & COMPANY, L.L.C.
(Name – *if individual, state last, first, middle name*)

940 W. SPROUL RD, SUITE 101 (Address) SPRINGFIELD (City) PA (State) 19064 (Zip Code)

SEC Mail Processing Section
FEB 27 2009
Washington, DC
103

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)*

DM

OATH OR AFFIRMATION

I, STEVEN T. GRANT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GRANT WILLIAMS, L.P., as of ____________, 20____, 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

Signature

PRESIDENT
Title

Notary Public

NOTARIAL SEAL
ERIN M SPILLANE
Notary Public
PHILADELPHIA CITY, PHILADELPHIA CNTY
My Commission Expires Sep 15, 2012

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).*

GRANT WILLIAMS, L.P.
REPORT ON AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2008

GRANT WILLIAMS, L.P.
INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

Supplemental Schedule

BRINKER
SIMPSON
Certified Public Accountants ■ Business Consultants

Robert B. Simpson, MS, CPA
Matthew F. Mingey, CPA
Michael W. Simpson, CPA

940 West Sproul Road, Suite 101
Springfield, PA 19064
Phone: (610) 544-5900
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www.brinkersimpson.com

Report of Independent Auditors

To the General Partner
Grant Williams, L.P.
Philadelphia, PA 19103

We have audited the accompanying statement of financial condition of Grant Williams, L.P. (a Pennsylvania Limited Partnership) (the Company) as of December 31, 2008 and the related statements of income, changes in partners' capital, changes in liabilities subordinated to general creditors, 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 Grant Williams, L.P. at December 31, 2008, and the results of their operations and their 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 Schedule I & 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.

Brinker, Simpson & Company, L.L.C.

Brinker, Simpson & Company, L.L.C.
Certified Public Accountants
Springfield, Pennsylvania
February 23, 2009

GRANT WILLIAMS, L.P.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2008

(See Report of Independent Auditors)

ASSETS

Cash	$162,508
Receivable from Clearing Organization	398,580
Receivable-Other	2,784
Accrued Interest	4,377
Marketable Securities Owned, at market value	187,495
Prepaid Expenses	57,254
Furniture and Equipment, Net of Accumulated Depreciation of $82,915	20,552
Leasehold Improvements, Net of Accumulated Depreciation of $1,904	1,270
Exchange	167,429
Deposits	1,664
Total Assets	$1,003,913

LIABILITIES AND PARTNERS' CAPITAL

Liabilities	
Capital Lease Obligation	$1,100
Accounts Payable and Accrued Expenses	78,030
Note Payable	75,000
Total Liabilities	154,130
Subordinated Borrowings	1,444,000
Partners' Capital	(594,217)
Total Liabilities and Partners' Capital	$1,003,913

(the accompanying notes are an integral part of these statements)

GRANT WILLIAMS, L.P.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008

(See Report of Independent Auditors)

REVENUE:		
Principal Transactions	$829,574	
Commissions	195,671	
Advisory Fees	63,311	
Interest	196,096	
Other Investment Income (Loss)	(14,605)	
Total Revenue		$1,270,047
OPERATING EXPENSES:		
Personnel Expenses:		
Guaranteed Payments to Partners	475,111	
Total Personnel Expenses		475,111
Other Expenses:		
Clearing Expense	117,007	
Commissions	445,470	
Depreciation	18,052	
Insurance	30,470	
Interest	249,041	
Meals and Entertainment	1,163	
Office Expense	28,933	
Professional Fees	91,719	
Quote and Data Services	112,546	
Regulatory Fees	18,478	
Rent	2,012	
Research & Training	2,540	
Telephone & Utilities	10,378	
Travel	1,461	
Taxes	9,671	
Total Other Expenses		1,138,941
Total Operating Expenses		1,614,052
Net Operating Loss		(344,005)
OTHER REVENUE/(EXPENSES):		
Impairment Loss on Write Off of Assets		(1,111)
Total Other Revenue/(Expenses)		(1,111)
NET LOSS		($345,116)

(the accompanying notes are an integral part of these statements)

GRANT WILLIAMS, L.P.
STATEMENT OF CHANGES IN PARTNERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2008

(See Report of Independent Auditors)

	PARTNERS' CAPITAL
Opening Balance @ 1-1-08	($292,851)
Capital Contributed	43,750
Net Loss	(345,116)
Ending Balance @ 12-31-08	($594,217)

(the accompanying notes are an integral part of these statements)

GRANT WILLIAMS, L.P.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

(See Report of Independent Auditors)

Cash Flows From Operating Activities:	
Net Loss	($345,116)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	18,052
Asset Impairment Loss	1,111
Net Loss from Pass Through Entity	14,605
(Increase)/Decrease in Operating Assets:	
Receivable - Clearing Organization	(387,434)
Receivable - Other	11,636
Accrued Interest	15,281
Securities, Net	3,422,174
Prepaid Expenses	(40,925)
Exchange	(43,135)
Increase/(Decrease) in Operating Liabilities:	
Payable to Clearing Organization	(2,547,229)
Note Payable from Operating Activity	61,231
Accounts Payable and Accrued Expenses	(64,053)
Securities Sold, Not Yet Purchased	(23,282)
Net Cash Provided By Operating Activities	92,916
Cash Flows From Investing Activities:	
Acquisition of Furniture & Equipment	(2,835)
Net Cash (Used In) Investing Activities	(2,835)
Cash Flows From Financing Activities:	
Partners' Capital Contributions	43,750
Payments on Capital Lease Obligation	(18,829)
Net Cash Provided By Financing Activities	24,921
Net Increase in Cash	115,002
Beginning Cash Balance	47,506
Ending Cash Balance	$162,508
Supplemental Disclosure of Cash Flow Information:	
Amount Paid for Interest	$249,041

(the accompanying notes are an integral part of these statements)

GRANT WILLIAMS, L.P.
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO GENERAL CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2008

(See Report of Independent Auditors)

Subordinated Borrowings at January 1, 2008	$1,444,000
Subordinated Borrowings at December 31, 2008	$1,444,000

(the accompanying notes are an integral part of these statements)

GRANT WILLIAMS, L.P.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1 – Nature of Business

Grant Williams, L.P. (Company), a Pennsylvania Limited Partnership, operates as a broker-dealer of investment securities registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions, agency transactions, and advisory services.

Securities Transactions

Amounts receivable and payable for those securities transactions reported on a trade date basis that have not reached their contractual settlement date are recorded net on the statement of financial condition.

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

Commissions

Commissions and related clearing expenses are recorded on a trade date basis.

Income Taxes

The Company operates as a partnership for tax filing purposes. As such, all items of income and loss pass through to the partners and are taxed at their respective rates. There is no provision for income taxes included on these statements.

Depreciation

Depreciation is provided using the straight line method over estimated useful lives of the assets.

Note 2 – Summary of Significant Accounting Policies – continued

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Advertising

The Company expenses advertising and related costs in the year incurred.

Note 3 – Receivable From and Payable To Clearing Organizations

The Company clears all of its proprietary and customer transactions through other broker-dealers on a fully disclosed basis. The amount payable to the clearing broker relates to the aforementioned transactions and is collateralized by securities owned by the Company.

Note 4 – Securities Owned

Marketable securities owned consist of trading and investment securities at market values as follows:

	Owned
State and Municipal Obligations	$179,535
Corporate Stock	7,413
Options	547
TOTAL	$187,495

All securities held by the Company at December 31, 2008 were readily marketable.

Note 5 – Investment in Limited Partnership

The Company acquired a 48% limited partner interest in a registered investment advisor. The interest was purchased from an individual who has retained a 50% interest in the registered investment advisor and also has a 25% limited partnership interest in the Company. In conjunction with the withdrawal of certain limited partners from the Company, it is anticipated that the Company's 48% interest will be acquired. The basis for this transfer has not been determined, but it is not expected to have a material impact on the results of operations or the financial condition of the Company.

Note 6 – Exchange

Exchange items consisted of the following at December 31, 2008:

Amounts due from general partner	$37,924
Amount due from limited partner for operating expense responsibilities per partnership agreement	82,745
Other	46,760
Total	$167,429

Interest was at the rate of 5% per annum on amounts due from the general partner. Interest was not charged on any of the other above amounts. The above items have no set repayment schedule.

Note 7 – Subordinated Borrowings

The borrowings under subordination agreements with limited partners at December 31, 2008, are listed in the following:

Subordinated Notes, 9 percent, due March 31, 2010	$1,100,000
Subordinated Notes, 9 percent, due October 31, 2010	344,000
Total	$1,444,000

Note 7 – Subordinated Borrowings - continued

The subordinated borrowings are allowable in computing net capital under the SEC's uniform net capital rule. To the extent such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

Note 8 – 401k Plan

The Company maintains a 401k retirement plan covering all eligible employees, including active limited partners, who elect to participate. This is a salary deferral plan. The Company does not make matching or discretionary contributions to the plan. Employee voluntary contributions are vested at all times.

Note 9 – Financial Instruments

Accounting Policies

Derivative financial instruments used for trading purposes, including hedges of trading instruments, are carried at market value. Market values for exchange traded derivatives, principally futures and options, are based on quoted market prices.

Derivatives used for hedging purposes include futures, purchased options, and written options. Unrealized gains or losses on these derivative contracts are recorded on the same basis as the underlying assets or liabilities (that is, hedges of financial instruments that are marked to market are also marked to market and recognized currently in the statement of income, while hedges of financial instruments recorded at cost of anticipated transactions are deferred). Unrealized gains and losses resulting from hedges of marked-to-market financial instruments are recorded in trading revenues.

Fair values of option contracts are recorded in securities owned or securities sold, not yet purchased, as appropriate. Open equity in futures transactions are recorded as receivables from and payables to clearing organizations as applicable.

Premiums and unrealized gains for written and purchased option contracts are recognized gross in the statement of financial condition.

Note 9 – Financial Instruments - continued

Fair Value of Financial Instruments

The financial instruments of the Company are reported in the statement of financial condition at market or fair values, or at carrying amounts that approximate fair values because of short maturity of the instruments, except subordinated borrowings. The Company estimates that the fair values of these financial instruments at December 31, 2008 do not differ materially from the carrying values on the accompanying statement of financial condition.

Financial Instruments with Off-Balance-Sheet Risk

The Company enters into various transactions involving derivatives and other off-balance-sheet financial instruments. These financial instruments include futures, options, securities purchased and sold on a when-issued basis (when issued securities), and delayed deliveries. These derivative financial instruments are used to meet the needs of customers, conduct trading activities, and manage market risks and are, therefore, subject to varying degrees of market and credit risk. Derivative transactions are entered into for trading purposes or to hedge other positions or transactions.

Futures and when-issued securities provide for the delayed delivery of the underlying instrument. As a writer of options, the Company receives a premium in exchange for giving the counterparty the right to buy or sell the security at a future date at a contracted price. The contractual or notional amounts related to these financial instruments reflect the volume and activity and do not reflect the amounts at risk. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements. Accordingly, futures contracts generally do not have credit risk. The credit risk for options, forward contracts, and when-issued securities is limited to the unrealized market valuation gains recorded in the statement of financial condition. There is no credit risk for when-issued securities, as valuation gains are not recognized on unsettled debt security transactions. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces such as volatility and changes in interest rates.

Note 9 – Financial Instruments - continued

Quantitative Disclosures for Derivative Financial Instruments Used for Trading Purposes

As of December 31, 2008, the gross contractual or notional amounts of derivative financial instruments used for trading purposes consisted of:

Options Held	$547
Options Written	$0

All of the Company's derivatives with off-balance-sheet risk are short-term in duration with maturities of less than one year.

Concentrations of Credit Risk

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

Note 10 – Capital Lease

The Company leases furniture and office equipment from a bank under a capital lease. The economic substance of the lease is that the Company is financing the acquisition of the assets through a lease, and accordingly, it is recorded in the Company's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

Office Furniture and Equipment	$81,366
Less: Accumulated Depreciation	52,817
Total	$28,549

Note 10 – Capital Lease - continued

The following is a schedule by years of future payments required under the lease together with their present value at December 31, 2008:

Year ending December 31,		
	2009	$1,109
Total Minimum Lease Payments		1,109
Less: Amount Representing Interest		9
Present Value of Minimum Lease Payments		$1,100

Note 11 – Special Agreement with Limited Partner

The Company admitted a new limited partner effective January 1, 2006. In return for a 35.5% ownership interest, the new partner has agreed to provide the Company the following:

- Office Space
- Administrative services which will replace all of the Company's administrative employees
- Pay one half the monthly payment due on a capital lease (See Note 10)

The partners have not yet determined whether there would be any special allocation of loss between the partners for 2008. The limited partner (as discussed herewith) has stopped making payments to the partnership for certain agreed upon expenses and the capital lease. This partner has indicated that the payments will be brought current once an agreement is reached with the withdrawing partners (see Note 13).

Note 11 – Special Agreement with Limited Partner - continued

The balance due the Company from this partner at December 31 is comprised of the following:

Amount due for certain agreed upon expenses including in Exchange items (see Note 6)	$82,745
Amount due for capital lease	555
Total	$83,300

Note 12 – 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. At December 31, 2008, the Company had net capital of $581,379 which was $481,379 in excess of its required net capital of $100,000. The Company's net capital ratio was .27 to 1.

Note 13 – Subsequent Events

The Company is currently in negotiations with certain limited partners who wish to withdraw from the Company (See Note 11). In conjunction with these withdrawals, the Company intends to retire significant amounts of subordinated debt, significantly scale back its principal trading activities, and limit its activities primarily to agency transactions.

A proposal for these changes has been filed with FINRA for regulatory approval. Until the FINRA acts on the application, it is not possible to determine the final form of the changes, and therefore, the impact of the changes cannot be quantified at this time.

Supplemental Schedule

GRANT WILLIAMS, L.P.
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2008

(See Report of Independent Auditors)

Net Capital	
Total Partners' Capital	($594,217)
Add: Subordinated Borrowings Allowable in Computation of Net Capital	1,444,000
Total Capital and Allowable Subordinations	849,783
Deduction and/or Charges:	
Non Allowable Assets:	
Receivable From Clearing Agency	3,154
Receivable - Other	2,784
Prepaid Expenses	57,254
Furniture and Equipment	20,552
Leasehold Improvements	1,270
Exchange	167,429
Deposits	1,664
Total Non Allowable Assets	254,107
Net Capital Before Haircuts On Securities Positions	595,676
Haircuts on Securities [compiled, where applicable pursuant to Rule 15c3-1(f)]	
State and Municipal Government Obligations	12,875
Options	273
Stocks	1,149
Total Haircuts on Securities	14,297
Net Capital	$581,379
Aggregate Indebtedness:	
Items Included in Statement of Financial Condition	
Accounts Payable & Accrued Expenses	$78,030
Note Payable	75,000
Capital Lease Obligation	1,100
Total Aggregate Indebtedness	$154,130

(the accompanying notes are an integral part of these statements)

GRANT WILLIAMS, L.P.
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2008

(See Report of Independent Auditors)

Computation of Basic Net Capital Requirement:	
Minimum Net Capital Required	$100,000
Excess Net Capital at 1000%	$565,966
Ratio: Aggregate Indebtedness to Net Capital	26.51%
Excess Net Capital	$481,379

RECONCILIATION WITH COMPANY'S COMPUTATION
(Included in Part II of Form X-17A-5 as of December 31, 2008)

Net Capital as Reported in Company 's Form X-17A-5, Part II (unaudited)	$581,379
Net Capital Per This Report	$581,379

NOTE: The Company is not subject to Rule 15c3-3(k)(2)(ii) since all customer transactions are cleared through another broker/dealer on a fully disclosed basis.

(the accompanying notes are an integral part of these statements)