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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



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

SEC FILE NUMBER  
8-67296

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BURRILL MERCHANT ADVISORS GROUP, LLC, DBA BURRILL LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

ONE EMBARCADERO CENTER, SUITE 2700

(No. and Street)

SAN FRANCISCO

CA

94111

(City)

(State)

(Zip Code)

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

JAMES WATSON

(415) 591-5400

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

BURR, PILGER & MAYER LLP

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

100 PRINGLE AVE., #340

WALNUT CREEK

CA

94596

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
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AND EXAMINATIONS  
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\*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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**BURRILL MERCHANT ADVISORS GROUP, LLC,  
DBA BURRIL LLC  
(SEC I.D. No. 8-67296)**

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STATEMENT OF FINANCIAL CONDITION  
December 31, 2008

**PUBLIC DOCUMENT**

Filed pursuant to rule 17a-5(e) under the  
Securities Exchange Act of 1934 as a public document.

**BURRILL MERCHANT ADVISORS GROUP, LLC,  
DBA BURRILL LLC**

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*Building your future*

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Burrill Merchant Advisors Group, LLC,  
dba Burrill LLC:

We have audited the accompanying statement of financial condition of Burrill Merchant Advisors Group, LLC, dba Burrill LLC, (the Company) as of December 31, 2008 that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Burrill Merchant Advisors Group, LLC, dba Burrill LLC at December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 of the financial statements, the Company has had numerous significant transactions with businesses affiliated with the Company.

*Burr, Pilger & Mayer LLP*

Walnut Creek, California  
February 19, 2009

*Member of The Leading Edge Alliance*

**BURRILL MERCHANT ADVISORS GROUP, LLC,  
DBA BURRILL LLC**  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2008

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**ASSETS**

Cash and cash equivalents	\$ 268,680
Accounts receivable	567,500
Investment securities	22,423
Derivative instruments	3,560
Prepaid expenses	<u>2,389</u>
Total assets	<u>\$ 864,552</u>

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities:	
Accounts payable and accrued expenses	\$ 30,896
Related party payable	44,117
Deferred revenue	<u>15,000</u>
Total liabilities	<u>90,013</u>
Members' equity:	
Member contributions	111,500
Member distributions	(2,340,475)
Accumulated earnings	<u>3,003,514</u>
Total members' equity	<u>774,539</u>
Total liabilities and members' equity	<u>\$ 864,552</u>

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

**BURRILL MERCHANT ADVISORS GROUP, LLC,  
DBA BURRILL LLC**

NOTES TO FINANCIAL STATEMENTS

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**1. Organization and Nature of Business**

Burrill Merchant Advisors Group, LLC, dba Burrill LLC (the Company or BMAG) was formed as a limited liability company duly organized under the laws of the State of Delaware on February 1, 2006 and commenced operations on August 17, 2006. The Company is a registered broker-dealer 100% owned by Burrill & Company (Burrill) that provides investment-banking services, consisting of merger and acquisition advisory services, arranging corporate financing for a retainer and success fee, sales of operating businesses, corporate financial and strategic advisory services and restructuring advisory services for private and public companies in the life science industry. The Company's principal office is located in San Francisco, California. The Company became a registered member of the National Association of Securities Dealers, Inc. (now known as Financial Industry Regulatory Authority (FINRA)) on August 17, 2006.

**2. Summary of Significant Accounting Policies**

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash held at the bank and in money market funds. Cash and cash equivalents are maintained at one major financial institution in the United States. Deposits held with banks may from time to time exceed the amount of insurance provided on such deposits.

**Accounts Receivable**

The Company uses the allowance method to account for uncollectible accounts receivable, which is determined based on historical collection experience and a review of the current status of the accounts receivable. As of December 31, 2008, all receivables are expected to be collected; therefore, no allowance has been established.

**Investment Securities**

The Company determines the appropriate classification of its investments in equity securities at the time of purchase and reevaluates such determinations on each balance sheet date. During 2008 the Company acquired the investment securities as settlement of a previously owed success fee relating to 2007 Investment securities that are obtained and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. The fair value of all securities is determined by quoted market prices. At December 31, 2008 all investment securities are classified as trading and are valued at \$22,423. During 2008 the Company incurred unrealized losses totaling \$120,269 associated with such trading securities.

On January 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements". SFAS No. 157 applies to all financial instruments that are measured and reported on a fair value basis.

As defined in SFAS No. 157, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, management uses various methods including market, income and cost approaches.

**BURRILL MERCHANT ADVISORS GROUP, LLC,  
DBA BURRILL LLC**

NOTES TO FINANCIAL STATEMENTS, Continued

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2. **Summary of Significant Accounting Policies**, continued

**Investment Securities**, continued

Based on these approaches, management often utilizes certain assumptions that market participants would use in pricing the asset, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable firm inputs. Management utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques management is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Company's investment in NASDAQ common stock totaling \$22,423 is classified as Level 1. The Company's derivative instrument totaling \$3,560 is classified as Level 2.

**Derivative Instruments**

Derivative instruments are composed of warrants, expiring on August 31, 2012. The 142,110 warrants were received as part of compensation for transaction services and were initially valued at \$39,717 upon receipt in August 2007. At December 31, 2008 the estimated fair value is \$3,560. In accordance with Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities", the derivatives are reported at fair market value with unrealized gains and losses included in the statement of income.

**Revenue Recognition and Deferred Revenue**

Transaction and service fees are recorded as revenue in the period in which the related services are performed in accordance with the applicable agreements. Cash received in advance of when the service is performed is treated as deferred revenue.

**Income Taxes**

Limited liability companies do not incur income taxes, except for an \$800 minimum tax and a gross receipts fee paid by the LLC to the state of California that annually cannot exceed \$11,790. All such minimum taxes and gross receipts fees are included in operating expenses.

**BURRILL MERCHANT ADVISORS GROUP, LLC,  
DBA BURRILL LLC**

NOTES TO FINANCIAL STATEMENTS, Continued

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2. **Summary of Significant Accounting Policies, continued**

**Use of Estimates**

The preparation 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 at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. **Related Party Transactions**

The Company's revenue is generated from agreements assigned from Burrill to the Company or negotiated with assistance from Burrill.

Effective July 25, 2006, BMAG entered into a one year management agreement with Burrill Capital Management, Inc. (BCMI), an entity owned by Burrill. The management agreement shall be extended for successive one year periods unless cancelled. BCMI charges the Company for its estimated share of salaries, related benefits, payroll taxes, rent, utilities, local telephone, equipment, furniture and fixtures, postage, and general office expenses needed for the Company to operate its business. For 2008, such charges approximated 15% of the above mentioned BCMI's expenses and totaled \$543,050. Additionally, BMAG and BCMI have entered into an agreement whereby BCMI was compensated 25% of certain transaction revenue for services BCMI employees provided BMAG. Such amount totaled \$588,063 and is included in compensation expense. For financial statement reporting purposes, the expenses allocated from BCMI have retained their natural classification. As of December 31, 2008, \$44,117 was due to BCMI for such expenses. BMAG does not have any employees but rather relies on the services provided by BCMI and Burrill employees.

4. **Regulatory Requirements**

The Company, as a registered broker/dealer, is subject to the Uniform Net Capital Rule (rule 15c3-1) pursuant to the Securities Exchange Act of 1934 administered by the Securities and Exchange Commission and the FINRA, which requires the maintenance of minimum net capital.

Under this rule, the Company is required to maintain "minimum net capital" equivalent to the greater of \$5,000 or 6.67% of aggregate indebtedness, as defined.

At December 31, 2008, the Company had net capital of \$178,667 which was \$172,666 in excess of required net capital, and the ratio of aggregate indebtedness to net capital was 0.5.

**ADDITIONAL REPORT**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED UNDER RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION

To the Members of  
Burrill Merchant Advisors Group, LLC,  
dba Burrill LLC:

In planning and performing our audit of the financial statements of Burrill Merchant Advisors Group, LLC, dba Burrill LLC (the Company), as of 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 the quarterly securities examinations, counts, verifications, and comparisons, and the 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 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 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 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 a 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.

To the Members of  
Burrill Merchant Advisors Group LLC,  
dba Burrill LLC  
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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 and 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, National Association of Securities Dealers, 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.

*Burr, Pilger & Mayer LLP*

Burr, Pilger & Mayer LLP  
Walnut Creek, California  
February 19, 2009