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

SEC FILE NUMBER
8- 66714

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: **Azimuth Capital, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

39 Broadway, 36th Floor

(No. and Street)

New York

NY

10006

(City)

(State)

(Zip Code)

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

Anthony Gerard

212-366-8790

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Untracht Early LLC

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

325 Columbia Turnpike

Florham Park

NJ

07932

(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)

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OATH OR AFFIRMATION

I, Anthony Gerard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Azimuth Capital, 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:

NATALIE KUCHARSKI
Notary Public, State of New York
No. 01KU6143438
Qualified in New York County
Commission Expires April 10, 2010

Anthony Gerard
Signature
President
Title

Natalie Kucharski
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition 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).

Azimuth Capital, LLC

December 31, 2008

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INDEPENDENT AUDITOR'S REPORT

To the Member of
Azimuth Capital, LLC

We have audited the accompanying statement of financial condition of Azimuth Capital, LLC (the "Company") as of December 31, 2008, and the related statements of operations, changes in member's 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 consideration of internal control 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 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 Azimuth Capital, 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 Schedule I and 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.

Untracht Early LLC

Florham Park, New Jersey
February 26, 2009

Azimuth Capital, LLC
Statement of Financial Condition
December 31, 2008

Assets

Cash	\$	149,040
Service fee receivable		112,389
Other assets		<u>3,511</u>
Total assets	\$	<u><u>264,940</u></u>

Liabilities and Member's Equity

Accounts payable and accrued expenses	\$	<u>37,607</u>
Total liabilities		<u>37,607</u>
Member's equity		<u>227,333</u>
Total liabilities and member's equity	\$	<u><u>264,940</u></u>

See accompanying notes to financial statements.



Azimuth Capital, LLC
Statement of Operations
For the Year Ended December 31, 2008

Revenues	
Service fee income	\$ <u>327,252</u>
Expenses	
Professional fees	36,470
Marketing expense	21,507
Regulatory fees	4,881
Other expenses	<u>676</u>
	<u>63,534</u>
Net income	\$ <u><u>263,718</u></u>

See accompanying notes to financial statements.



Azimuth Capital, LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2008

Member's equity - January 1, 2008	\$ 53,615
Capital contributions	10,000
Capital distributions	(100,000)
Net income	<u>263,718</u>
Member's equity - December 31, 2008	<u><u>\$ 227,333</u></u>

See accompanying notes to financial statements.



Azimuth Capital, LLC
Statement of Cash Flows
For the Year Ended December 31, 2008

Cash flows from operating activities:	
Net income	\$ <u>263,718</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Service fee receivable	(98,376)
Receivable from affiliate	14,033
Other assets	472
Accounts payable and accrued expenses	<u>27,107</u>
Total adjustments to net income	<u>(56,764)</u>
Net cash provided by operating activities	<u>206,954</u>
Cash flows from financing activities:	
Member capital contributions	10,000
Member capital distributions	<u>(100,000)</u>
Net cash used in financing activities	<u>(90,000)</u>
Net increase in cash	116,954
Cash - beginning of year	<u>32,086</u>
Cash - end of year	<u>\$ <u>149,040</u></u>

See accompanying notes to financial statements.



Azimuth Capital, LLC
Notes to Financial Statements
December 31, 2008

(1) Organization and business

Azimuth Capital, LLC (the "Company") was formed as a single member limited liability company under the laws of the U.S. Virgin Islands in September 2004 and is wholly owned by Azimuth Holdings, LLC (the "Parent"). In February 2005, the company changed its form of organization to a Delaware limited liability company. Pursuant to its Amended and Restated Limited Liability Company Agreement, the Company will exist in perpetuity but may terminate in the event of certain circumstances, as defined in that agreement.

The Company is registered as a broker-dealer pursuant to the Securities Exchange Act of 1934, and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company acts as a placement agent in the sale of shares or interests in hedge funds.

(2) Summary of significant accounting policies

Use of estimates

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

Service fee receivable

Fees receivable are considered fully collectible by management and, accordingly, no allowance for doubtful accounts is considered necessary.

Revenue recognition

The financial statements of the Company are prepared on the accrual basis of accounting, accordingly, fee income is recognized when earned.

Income taxes

No provision for federal or state income taxes has been made in the accompanying financial statements since such liabilities are the responsibility of the Company's sole member.

(3) Service fee income

In December 2007, the Company entered into a Services Agreement with Offit Capital Advisors, LLC ("Offit"), the Investment Manager of Azimuth Capital Preservation Fund II, LLC ("CPF II"). The Services Agreement was effective November 1, 2007 and is for ten years expiring on December 12, 2017.



Azimuth Capital, LLC
Notes to Financial Statements
December 31, 2008

(3) Service fee income (continued)

Pursuant to this agreement, the Company will receive 15% to 50% of management and/or performance fees that Offit collects from CPF II. The service fee income received from Offit for the year ended December 31, 2008 amounted to \$157,729.

During 2008, the Company entered into a Services Agreement with Duff Capital Advisors, LP ("DCA"), the Investment Manager of Azimuth Select Fund, LLC, Azimuth Diversified Fund, LLC and Azimuth Diversified Fund II, LLC (collectively, the "Funds"). The Services Agreement was effective February 11, 2008 and is for five years expiring on February 10, 2013.

Pursuant to this agreement, the Company will receive 100% of management and/or performance fees that DCA collects from any assets invested in the Funds (for assets under management up to \$200 million). The service fee income received from DCA for the year ended December 31, 2008 amounted to \$169,523.

(4) Regulatory 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 \$111,433 which was \$106,433 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 0.34 to 1. The Company is exempt from the provisions of SEC Rule 15c3-3 under subparagraph (k)(2)(i) thereto.

(5) Related party transactions

The Company reimbursed an affiliate for expenses incurred in 2008 of \$8,392, paid by the affiliate on behalf of the Company. Additionally, the Company received \$14,033 of service fee income due from the prior year, owed to them by an affiliate.



Azimuth Capital, LLC
Notes to Financial Statements
December 31, 2008

(6) Subsequent event

Effective January 1, 2009, the Company will no longer receive management and/or performance fees from DCA, as DCA is no longer the Investment Manager to the Funds.

Additionally, due to the liquidation of CPF II, the Company will no longer be receiving management and/or performance fees in 2009.

Due to loss of revenue anticipated for 2009, the Company's ability to meet regulatory capital requirements and have liquidity for future operating costs is largely dependent on developing new sources of revenue and/or continue to have funding from its owner. Additionally, the owner has indicated the intent to continue to infuse capital as needed.



Azimuth Capital, LLC
Computation of Net Capital under Rule 15c3-1
of the Securities and Exchange Commission
December 31, 2008

Schedule I

Computation of net capital

Member's equity	\$ 227,333
Less non-allowable assets	<u>115,900</u>
Net capital before haircuts	111,433
Haircuts	<u>-</u>
Net capital	\$ <u><u>111,433</u></u>
Aggregate indebtedness - total liabilities	\$ <u><u>37,607</u></u>

Computation of basic net capital requirement

Minimum net capital required (greater of \$5,000 or 6- 2/3% of aggregate indebtedness)	\$ <u><u>5,000</u></u>
Excess net capital	\$ <u><u>106,433</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>0.34 to 1</u></u>

There are no material differences between the computation of net capital as computed above and as reported by the Company in Part IIA of Form X-17a-5 as of December 31, 2008.



Azimuth Capital, LLC
Information Relating to the Possession or
Control Requirements under Rule 15c3-3
December 31, 2008

Schedule II

The Company is currently exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions appearing in paragraph (k)(2)(i) of the rule.





INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

To the Member of
Azimuth Capital, LLC

In planning and performing our audit of the financial statements and supplementary information of Azimuth Capital, 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 and firm assets. 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 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 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 the 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 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 and firm assets 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 management, the SEC, 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.

Untracht Early LLC

Florham Park, New Jersey
February 26, 2009



Azimuth Capital, LLC

**Report on Audit of Financial Statements
and Supplementary Information**
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934

December 31, 2008

