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

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

SEC FILE NUMBER
8- 52643

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 01/01/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ULTIMUS FUND DISTRIBUTORS, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

225 PICTORIA DRIVE, SUITE 450

(No. and Street)

CINCINNATI

OHIO

45246

(City)

(State)

(Zip Code)

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

ROBERT G. DORSEY

(513) 587-3401

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

FRANZ CPAs, Inc.

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

11180 REED HARTMAN HIGHWAY, SUITE 110

CINCINNATI, OHIO 45242

(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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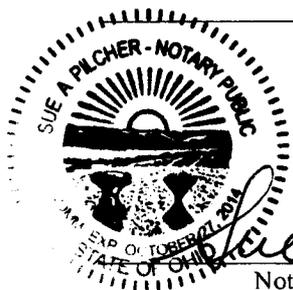
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OATH OR AFFIRMATION

I, ROBERT G. DORSEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ULTIMUS FUND DISTRIBUTORS, LLC, as of DECEMBER 31, 20 09, 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:



Sue A. Pilcher
Notary Public

Robert A. Dorsey
Signature
PRESIDENT
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).

ULTIMUS FUND DISTRIBUTORS, LLC

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INDEPENDENT AUDITOR'S REPORT

Member
Ultimus Fund Distributors, LLC

We have audited the accompanying statement of financial condition of Ultimus Fund Distributors, LLC (the "Company") as of December 31, 2009, and the related statements of income, changes in member 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 generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Ultimus Fund Distributors, LLC at December 31, 2009, 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.

FRANZ CPAs, Inc.

February 10, 2010
Cincinnati, Ohio

ULTIMUS FUND DISTRIBUTORS, LLC
STATEMENT OF FINANCIAL CONDITION
December 31, 2009

ASSETS

Current Assets	
Cash	\$ 492,012
Receivable from customers	32,874
Prepaid registration fees	<u>20,797</u>
Total current assets	<u>\$ 545,683</u>

LIABILITIES & MEMBER EQUITY

Current Liabilities	
Accrued commissions	\$ 43,877
Commitments and contingent liabilities	-
Member Equity	<u>501,806</u>
Total liabilities and member equity	<u>\$ 545,683</u>

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

ULTIMUS FUND DISTRIBUTORS, LLC

STATEMENT OF INCOME
Year Ended December 31, 2009

Revenues:	
Underwriting fees	\$ 217,766
Distribution fees	156,213
License fees	<u>3,750</u>
Total revenues	377,729
Expenses:	
Management fees - related party (Note D)	165,000
Commission reallowance	99,184
Registration fees	22,028
Professional	8,579
Office	<u>1,000</u>
Total expenses	<u>295,791</u>
Net Income	<u>\$ 81,938</u>

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

ULTIMUS FUND DISTRIBUTORS, LLC

**STATEMENT OF CHANGES IN MEMBER EQUITY
Year Ended December 31, 2009**

Balance at December 31, 2008	\$ 419,868
Net income	81,938
Member contributions	<u>-</u>
Balance at December 31, 2009	<u>\$ 501,806</u>

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

ULTIMUS FUND DISTRIBUTORS, LLC

STATEMENT OF CASH FLOWS
Year Ended December 31, 2009

Cash flows from operating activities:	
Net income	\$ 81,938
Changes in operating assets and liabilities:	
Decrease in receivable from customers	7,855
Decrease in prepaid registration fees	5,896
Increase in accounts payable	<u>43,877</u>
Total changes	<u>57,628</u>
Net cash provided by operating activities	<u>139,566</u>
Increase in cash	139,566
Cash at beginning of the year	<u>352,446</u>
Cash at end of the year	<u>\$ 492,012</u>

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

ULTIMUS FUND DISTRIBUTORS, LLC

NOTES TO FINANCIAL STATEMENTS Year Ended December 31, 2009

NOTE A - Organization and Nature of Business

Ultimus Fund Distributors, LLC (the "Company") is a broker-dealer registered with the Financial Industry Regulatory Authority (FINRA), and is subject to various rules and regulations promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934. The Company is an Ohio Limited Liability Company that is a wholly-owned subsidiary of Ultimus Fund Solutions, LLC (Member). The Company began operations on May 31, 2000 and received FINRA membership approval effective August 18, 2000.

The Member provides comprehensive mutual fund services, including organization, consulting, fund administration, fund accounting and pricing, transfer agency and shareholder services, to new and existing mutual fund groups. The Company serves as the principal underwriter for certain mutual fund groups that have contracted with the Member for the provision of mutual fund services.

NOTE B – Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Underwriting and Distribution Fee Income

Underwriting income is earned on the sales of mutual fund shares where a commission is charged and paid to a third party broker/dealer. The income is recognized on actual sales of these mutual funds and accrued and recorded monthly on settled transactions. The Company contracts with mutual fund groups under a distribution agreement and generally charges a flat monthly fee of \$500, although fees are subject to negotiation. Underwriting and distribution fees are billed and recognized as earned on a monthly basis over the term of the respective contracts.

The Company also generates distribution fees pursuant to certain cash management services agreements. Such fees are based on an established fee schedule.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. The Company's net income is allocated to the Member in accordance with regulations of the Company.

ULTIMUS FUND DISTRIBUTORS, LLC

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

NOTE B – Summary of Significant Accounting Policies (continued)

Registration Fee Expense

Registration fees are recorded at cost and expensed on a pro rata basis over the respective licensing period. The Company incurs fees for FINRA and various state licensing requirements.

Cost Reimbursement

Mutual fund groups or their sponsors reimburse the Company for costs associated with the licensing of individual representatives; including FINRA fees and CRD advertising which is the cost of reviewing and filing sales literature with FINRA. These costs represent flow-through items and are not reflected in the Company's financial statements.

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.

NOTE C - Receivable from Customers

Accounts receivable from customers include amounts due under distribution agreements with twenty mutual fund groups and amounts due under cash management services agreements. Management expects to collect 100% of all outstanding accounts, therefore, no allowance for doubtful accounts has been provided.

NOTE D - Related Party Transactions

The Member assumes certain costs of the Company pursuant to a Cost Assumption Agreement originally dated June 20, 2000 and subsequently replaced twice by two new agreements dated January 1, 2008 and April 1, 2009. Specifically, the Company operates out of an office leased by the Member. In addition, employees and other resources of the Member support the Company's operations, such as certain administration and accounting services. The Company pays a \$15,000 monthly management fee (\$10,000 under the prior agreement) to Member under the current Cost Assumption Agreement. For the year ended December 31, 2009 the total management fee equaled \$165,000.

ULTIMUS FUND DISTRIBUTORS, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2009

NOTE E - 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. The Company computes net capital requirements under the aggregate indebtedness method, which requires firms to maintain a minimum net capital level. At December 31, 2009, the Company had net capital of \$463,719, which was \$438,719 in excess of its required net capital of \$25,000.

NOTE F - Concentration of Revenues

A significant portion of the Company's revenues is derived from a single customer. Revenue earned from this particular customer accounted for approximately 57% of all revenues earned during 2009.

NOTE G - Uninsured Cash Balance

The Company maintains its cash deposits with a single financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances totaled approximately \$242,012 as of December 31, 2009.

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Independent Auditor's Report on Supplemental Information

Member

Ultimus Fund Distributors, LLC

We have audited the accompanying financial statements of Ultimus Fund Distributors, LLC as of and for the year ended December 31, 2009, and have issued our report thereon dated February 10, 2010. 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 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.

Pursuant to SEC Rule 15c3-1(a)(2)(v) (the Net Capital Rule), the Company is required to maintain a minimum net capital requirement of \$25,000. No material differences exist between the computation reported on by the independent auditor (Schedule I) and the Company's unaudited filing of Part II or Part IIA of the FOCUS report.

The Company operates pursuant to SEC Rule 15c3-3(k)(2) (the Customer Protection rule), limiting business to the distribution of mutual funds, including mutual fund underwriter, sponsor, and retailer on a direct application basis (i.e., the Company does not hold customer funds or safekeep customer securities). The Company is exempt from Rule 15c3-3.

FRANZ CPAs, Inc.

February 10, 2010

Cincinnati, Ohio

Ultimus Fund Distributors, LLC

Schedule I

**Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1
December 31, 2009**

Computation of Net Capital

Total partner capital from Statement of Financial Condition	\$ 501,806
Deduct partner capital not allowable for net capital	<u>-</u>
Total partner capital qualified for net capital	501,806
Add:	
Liabilities subordinated to claims of general creditors allowable in computation on net capital	-
Other (deductions) or allowable credits	<u>-</u>
Total capital and allowable subordinated borrowings	501,806
Deductions and/or charges:	
Total nonallowable assets from Statement of Financial Condition	(38,087)
Secured demand note deficiency	-
Commodity futures contracts and spot commodities - proprietary capital changes	-
Other deductions and/or charges	-
Other additions and/or credits	<u>-</u>
Net capital before haircuts on securities positions	463,719
Haircuts on securities	
Contractual securities commitments	-
Subordinated securities borrowings	-
Trading and investment securities:	
Exempted securities	-
Debt securities	-
Options	-
Other securities	-
Undue concentrations	-
Other	<u>-</u>
Net Capital	<u>\$ 463,719</u>

See Independent Auditor's Report on Supplemental Information.

Ultimus Fund Distributors, LLC

Schedule I

**Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1
December 31, 2009**

Computation of Aggregate Indebtedness

Total A.I. Liabilities from Statement of Financial Condition	\$	43,877
Add:		
Drafts for immediate credit		-
Market value of securities borrowed for which no equivalent value is paid or credited		-
Other unrecorded amounts		-
		-
Total aggregate indebtedness	\$	43,877
Percentage of aggregate indebtedness to net capital		9%

Computation of Basic Net Capital Requirement

Minimum net capital required	\$	2,925
Minimum dollar net capital requirement	\$	25,000
Net capital requirement	\$	25,000
Excess net capital	\$	438,719
Excess net capital at 1000 percent	\$	433,719

See Independent Auditor's Report on Supplemental Information.

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Independent Auditor's Report on Internal Accounting Control Required by SEC Rule 17A-5

Member

Ultimus Fund Distributors, LLC

In planning and performing our audit of the financial statements and supplemental schedules of Ultimus Fund Distributors, LLC (the "Company"), as of and for the year ended December 31, 2009, 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 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

**Independent Auditor's Report on Internal Accounting Control
Required by SEC Rule 17A-5 (continued)**

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 deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

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 their 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, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, management, the SEC, FINRA, 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.

FRANZ CPAs, Inc.

February 10, 2010
Cincinnati, Ohio

ULTIMUS FUND DISTRIBUTORS, LLC

***FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT***

December 31, 2009