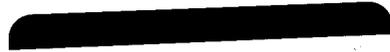


BB 2/26



10027347

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

**OMB APPROVAL**  
OMB Number: 3235-0123  
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

**SEC FILE NUMBER**  
8-66496

**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: **Matlock Capital, LLC f/k/a Savant Trading LLC**

**OFFICIAL USE ONLY**  
**FIRM I.D. NO.**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
141 W. Jackson Blvd., Suite 340  
(No. and Street)

Chicago Illinois 60604  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Jacqueline Sloan (312) 431-0014  
(Area Code-Telephone No)

**B. ACCOUNTANT IDENTIFICATION**

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

Schultz and Chez, LLP  
(Name - if individual, state last, first, middle name)

141 W. Jackson Blvd., Suite 2900 Chicago IL 60604  
(Address) (City) (State) (Zip Code)

**SEC Mail Processing  
Section**

**CHECK ONE:**

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

FEB 22 2010

Washington, DC  
110

**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 241.17a-5(e)(2).

**CONFIDENTIAL TREATMENT REQUESTED**

Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number

BB 2/26

## OATH OR AFFIRMATION

I, Marson B. Hull affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental information pertaining to the firm of **Matlock Capital, LLC f/k/a Savant Trading LLC** as of December 31, 2009, are true and correct. I further affirm that neither the Company nor any member, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer.



MBHull  
Signature  
MANAGER  
Title

Cathleen Ferguson  
Notary Public

This report contains (check all applicable boxes):

- (a) Facing Page
- (b) Statement of Financial Condition
- (c) Statement of Income
- (d) Statement of Changes in Member's Equity
- (e) Statement of Cash Flows
- (f) Statement of Changes in Subordinated Borrowings

Supplemental Information:

- (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 under Requirement 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 pursuant to 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.
- (o) Independent Auditor's Report on Internal Control.

*\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

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# SCHULTZ & CHEZ, L.L.P.

*Certified Public Accountants*

141 West Jackson Boulevard, Suite 2900  
Chicago, Illinois 60604  
Main: (312) 332-1912  
Fax: (312) 332-3635

## INDEPENDENT AUDITOR'S REPORT

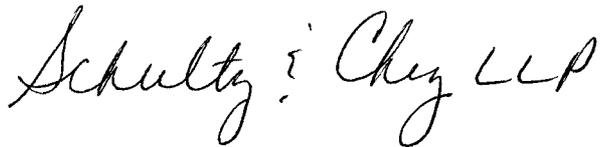
To the Member of  
Matlock Capital, LLC (formerly known as Savant Trading, LLC)  
Chicago, Illinois

We have audited the accompanying statement of financial condition of Matlock Capital, LLC (formerly known as Savant Trading, LLC) as of December 31, 2009, and the related statements of operations, changes in member's equity and cash flows for the year ended December 31, 2009. 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 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 Matlock Capital, LLC as of December 31, 2009, 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 11 and 12 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 of the Securities and Exchange Commission. 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.



Chicago, Illinois  
February 10, 2010

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2009

**ASSETS**

Cash	\$	68,639
Due from clearing broker		8,775,356
Securities owned, at market		
Equities		44,748,708
Options		115,784,592
Equipment, net		828,667
Accounts receivable		5,923
Other assets		<u>14,445</u>
 TOTAL ASSETS	 \$	 <u>170,226,330</u>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES**

Securities sold, not yet purchased, at market		
Equities	\$	86,614,492
Options		67,047,057
Interest payable		4,095
Dividends payable		58,554
Due to affiliates		<u>74,685</u>

Total Liabilities 153,798,883

Member's Equity 16,427,447

TOTAL LIABILITIES AND MEMBER'S EQUITY \$ 170,226,330

See accompanying notes.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**STATEMENT OF OPERATIONS**

YEAR ENDED DECEMBER 31, 2009

**REVENUES**

Firm trading	\$ 7,044,246
Interest	948,823
Dividends	<u>5,243,206</u>
Total Revenues	<u>13,236,275</u>

**EXPENSES**

Employee compensation and benefits	1,027,367
Commissions and clearing fees	4,154,924
Regulatory and exchange fees	1,924,322
Interest	2,007,463
Dividends	2,234,405
Data Services	2,091,602
Consulting	139,300
Occupancy	183,000
Depreciation	378,818
Professional fees	85,748
Membership rental	<u>940,569</u>
Total Expenses	<u>15,167,518</u>
NET LOSS	\$ ( <u>1,931,243</u> )

See accompanying notes.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

STATEMENT OF CHANGES IN MEMBER'S EQUITY  
YEAR ENDED DECEMBER 31, 2009

Balance at December 31, 2008	\$ 18,358,690
Contributions	-
Withdrawals	-
Net loss	( <u>1,931,243</u> )
Balance at December 31, 2009	\$ <u>16,427,447</u>

See accompanying notes.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2009

OPERATING ACTIVITIES

Net loss	\$ ( 1,931,243)
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation expense	378,818
(Increase)/decrease in operating assets:	
Receivables from clearing broker	( 8,775,356)
Securities owned, at market	( 42,606,904)
Interest and dividends receivable	175,346
Other assets	( 4,445)
Increase/(decrease) in operating liabilities:	
Payable to clearing broker	( 41,500,171)
Securities sold, not yet purchased, at market	95,903,643
Interest and dividends payable	61,025
Due to affiliates	( 1,225,442)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>475,271</u>

INVESTING ACTIVITIES:

Purchases of equipment	( <u>580,633</u> )
------------------------	--------------------

NET CASH USED IN FINANCING ACTIVITIES ( 580,633)

NET DECREASE IN CASH ( 105,362)

CASH AT DECEMBER 31, 2008 174,001

CASH AT DECEMBER 31, 2009 \$ 68,639

*Supplemental Cash flow Information:*

Cash payments for interest during the year totaled \$1,931,132.

Cash payments for income taxes during the year totaled \$0.

See accompanying notes.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2009

**(1) NATURE OF BUSINESS**

Matlock Capital, LLC, (the "Company") engages in trading strategies involving primarily equities and equity derivative instruments on a proprietary basis. The Company was registered as a broker/dealer with the Securities and Exchange Commission ("SEC") until it withdrew its registration effective December 31, 2009.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Statement of Financial Accounting Standards (SFAS) No. 168 – The Financial Accounting Standards Board (FASB) Accounting Standards Codification and the Hierarchy of GAAP was effective for interim and annual reporting periods ending after September 15, 2009. This standard establishes the FASB Accounting Standards Codification (ASC or the "Codification") as the source of authoritative accounting principles in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. New accounting standards will be issued as Accounting Standards Updates which will serve to update the Codification. The adoption of the Codification changed the Company's references to GAAP standards but did not have an impact on the Company's financial position, results of operations, or cash flows. This standard is part of ASC 105 – GAAP.

Securities owned and securities sold, not yet purchased, held in firm trading and investment accounts, are carried at market value. Securities transactions are recorded on the trade date and, accordingly, gains and losses are recorded on unsettled transactions. Futures transactions and resulting gains and losses are recorded on the trade date. Gains and losses on open futures contracts are reflected in income.

Equipment is recorded at cost and depreciated over its estimated useful life using accelerated methods. At December 31, 2009, accumulated depreciation was \$608,230.

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

No provision has been made for income taxes as the taxable income or loss of the Company is included in the income tax return of the member.

Financial instruments recorded at fair value on the Company's statement of financial condition include securities owned and securities sold, not yet purchased. Other financial instruments are recorded by the Company at contract amounts and include receivables from and payables to clearing broker. Financial instruments carried at contract amounts, which approximate fair value, either have short-term maturities, are repriced frequently, or bear market interest rates and, accordingly, are carried at amounts approximating fair value.

The Company has not presented a Statement of Comprehensive Income because it does not have any items of "other comprehensive income".

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2009

(2) ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

Effective January 1, 2009, the Company adopted ASC 815-10 (formerly Financial Accounting Standards (FAS) No. 161), "Disclosures About Derivative Instruments and Hedging Activities". ASC 815-10 amends FAS 133, "Accounting for Derivative Instruments and Hedging Activities", by requiring enhanced disclosures regarding an entity's derivative and hedging activities. The adoption of ASC 815-10 did not have a material impact on the Company's financial statements.

As of January 1, 2009 the Company adopted ASC 740-10-50 (formerly FASB Interpretation (FIN) No. 48), "Accounting for Uncertainty in Income Taxes". ASC 740-10-50 provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740-10-50 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax return to determine whether its tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The adoption of ASC 740-10-50 did not have a material impact on the Company. The Company has not identified any uncertain tax positions as of December 31, 2009.

(3) ***DERIVATIVE INSTRUMENTS***

In the normal course of conducting business as a market-maker/trader, the Company engages in transactions involving derivative instruments, options and futures, for trading purposes. The Company does not enter into derivatives for hedging purposes. ASC 815-10 requires the disclosure of certain quantitative data related to derivative contracts. The fair value of options are reflected on the statement of financial condition. As of December 31, 2009, there were no open futures positions.

The following table indicates the trading gains and losses, by market sector, on all derivative instruments for the year ended December 31, 2009.

<u>Sector</u>	
Equities and indices	\$ (49,932,385)
Total	\$ (49,932,385)

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2009

**(3) DERIVATIVE INSTRUMENTS (CONTINUED)**

Derivative contracts are financial instruments whose value is based upon an underlying asset, index, or reference rate or a combination of these factors. The Company enters into derivative transactions, including futures and exchange-traded options. Options held provide the Company with the opportunity to deliver or take delivery of specified financial instruments at a contracted price. Options written (sold) obligate the Company to deliver or take delivery of specified financial instruments at a contracted price in the event the holder exercises the option. These derivative financial instruments may have market risk and/or credit risk in excess of the amounts recorded in the statement of financial condition. The Company also trades futures contracts. Futures contracts are commitments to either purchase or sell a financial instrument or commodity at future date for a specified price.

**Market Risk**

Market risk is the potential change in an instrument's value caused by fluctuations in interest rates, equity prices, credit spreads, volatilities, correlations, liquidity, or other risks. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of derivative financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Company's overall exposure to market risk. The Company utilizes various analytical monitoring techniques to control its exposure to market risk.

**Credit Risk**

Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. For exchange-traded financial instruments, clearing corporations act as the counterparties of specific transactions and, therefore, bear the risk of delivery to and from counterparties of specific positions.

**Guarantees**

In the normal course of trading activities, the Company trades and holds certain fair-valued derivative contracts, which may constitute guarantees under ASC 460-10, "Guarantors Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (formerly FIN 45). Such contracts include written option contracts that are not settled in cash. These written option contracts obligate the Company to deliver or take delivery of specified financial instruments at a contracted price in the event the holder exercises the option.

As of December 31, 2009, the maximum payouts for these contracts are limited to the notional amounts of each contract. Maximum payouts do not represent the expected future cash requirements as the Company's written options positions are typically liquidated or expire and are not exercised by the holder of the option. In addition, maximum payout amounts, in the case of the exercise of written call options, may be offset by the subsequent sale of the underlying financial instrument if owned by the Company. The fair values of all written option contracts as of December 31, 2009, are included in securities and derivative contracts sold, not yet purchased on the statement of financial condition.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)  
**NOTES TO FINANCIAL STATEMENTS**  
YEAR ENDED DECEMBER 31, 2009

**(4) CONCENTRATIONS OF CREDIT RISK**

At December 31, 2009, a credit concentration with its clearing broker consisted of approximately \$16 million representing the market value of the Company's trading account. The Company monitors the credit worthiness of the clearing broker to mitigate the Company's exposure to credit risk.

**(5) REGULATORY MATTERS**

As a registered broker/dealer, the Company is subject to the SEC's Uniform Net Capital Rule (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, 2009, the Company had net capital of \$5,425,353 which exceeded requirements by \$5,325,353 and the ratio of aggregate indebtedness to net capital was less than 1:1.

On December 31, 2009, the Company withdrew its registration with the SEC as a broker-dealer.

**(6) FAIR VALUE MEASUREMENTS/ INVESTMENTS IN SECURITIES AND DERIVATIVE CONTRACTS**

The Company adheres to the provisions of ASC 820-10, "Fair Value Measurements" (formerly FAS No. 157), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. "exit price") in an orderly transaction between market participants at the measurement date.

ASC 820-10 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability base on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In determining fair value, the Company uses valuation approaches based on this hierarchy, categorizing them into three levels based on the inputs as follow:

*Level 1* – Valuations based on unadjusted quoted price in active markets for identical assets and liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

*Level 2* – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

*Level 3* – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2009

**(6) FAIR VALUE MEASUREMENTS/ INVESTMENTS IN SECURITIES AND DERIVATIVE CONTRACTS (CONTINUED)**

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820-10.

At December 31, 2009, all investments of the Company are listed and actively traded and, accordingly, are classified as Level 1.

**(7) RELATED PARTY TRANSACTIONS**

Pursuant to an expense-sharing agreement, the Company uses certain facilities of an affiliate. During the year, the Company paid \$153,000 for these facilities. Amounts owed are paid in a timely manner.

**(8) SUBSEQUENT EVENTS**

Subsequent to December 31, 2009, the Company's name reverted back to Savant Trading, LLC.

SUPPLEMENTARY INFORMATION

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**COMPUTATION OF NET CAPITAL,  
PER UNIFORM NET CAPITAL RULE 15c3-1**

DECEMBER 31, 2009

NET CAPITAL	
Member's equity	\$ 16,427,447
Non-allowable assets	
Equipment, net	( 828,667)
Accounts receivable	( 5,923)
Other assets	<u>( 14,445)</u>
NET CAPITAL BEFORE HAIRCUTS ON FIRM INVENTORY	15,578,412
Haircuts on firm inventory	10,153,059
Undue concentration charges	<u>          -</u>
NET CAPITAL	\$ <u>5,425,353</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required (Greater of 6 2/3% of aggregate indebtedness or \$100,000)	\$ <u>100,000</u>
EXCESS NET CAPITAL	\$ <u>5,325,353</u>
COMPUTATION OF AGGREGATE INDEBTEDNESS	
Total aggregate indebtedness - specified liabilities	
Due to affiliates	<u>74,685</u>
Total aggregate indebtedness	\$ <u>74,685</u>
Ratio of aggregate indebtedness to net capital	<u>&lt;1:1</u>

Note: There are no material differences between the audited computation of net capital and that per the Company's unaudited FOCUS report as filed.

MATLOCK CAPITAL, LLC  
(formerly known as Savant Trading, LLC)  
(an Illinois Limited Liability Company)

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**

AND

**INFORMATION FOR THE POSSESSION OR CONTROL  
REQUIREMENTS PURSUANT TO RULE 15c3-3**

DECEMBER 31, 2009

RESERVE COMPUTATION

(see Note)

INFORMATION FOR POSSESSION OR CONTROL REQUIREMENTS

(see Note)

NOTE: Although the Company is not exempt from Rule 15c3-3, it does not transact a business in securities with or for customers and does not carry margin accounts, credit balances or securities for any person defined as a "customer" pursuant to Rule 17a-5(c)(4). Accordingly, there are no amounts reportable under these sections.

# SCHULTZ & CHEZ, L.L.P.

*Certified Public Accountants*

141 West Jackson Boulevard, Suite 2900  
Chicago, Illinois 60604  
Main: (312) 332-1912  
Fax: (312) 332-3635

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1)

To the Member of  
Matlock Capital, LLC (formerly known as Savant Trading, LLC)  
Chicago, Illinois

In planning and performing our audit of the financial statements of Matlock Capital, 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.

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 compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8(b) of 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 accordance 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, 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.

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.

Our review indicated that the Company, although not exempt from Rule 15c3-3, had no reporting requirements because it did not transact a business in securities directly with or for other than members of a national securities exchange and did not carry margin accounts, credit balances or securities for any person defined as a "customer" pursuant to Rule 17a-5(c)(4) and that, as of December 31, 2009, no facts came to our attention to indicate that such conditions were not complied with during the period.

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 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 management, the Chicago Board Options Exchange, 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.

*Schultz & Chey LLP*

Chicago, Illinois  
February 10, 2010

# SCHULTZ & CHEZ, L.L.P.

*Certified Public Accountants*

141 West Jackson Boulevard, Suite 2900  
Chicago, Illinois 60604  
Main: (312) 332-1912  
Fax: (312) 332-3635

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

To the Member  
Matlock Capital, LLC (formerly Savant Trading, LLC)  
Chicago, Illinois

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the period from April 1, 2009 to December 31, 2009 which were agreed to by Matlock Capital, LLC (the "Company") and the Securities and Exchange Commission, SIPC and the Chicago Board Options Exchange, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). The Company's management is responsible for compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records entries, noting no differences;
2. Compared the total revenue amounts reported on the audited Form X-17A-5 for the year ended December 31, 2009 less revenues reported on the FOCUS for the period from January 1, 2009 to March 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the period April 1, 2009 to December 31, 2009, noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers, noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments, noting no differences;

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Chicago, Illinois  
February 10, 2010



Transitional Assessment Reconciliation

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

066496 CBOE DEC  
MATLOCK CAPITAL LLC 8\*8  
141 W JACKSON BLVD STE 340  
CHICAGO IL 60604-3124

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment [item 2e from page 2 (not less than \$150 minimum)] \$ 2,199
- B. Less payment, made with SIPC-6 filed including \$150 paid with 2009 SIPC-4 (exclude interest) (6,644)  
Date Paid 7/29/09
- C. Less prior overpayment applied (                    )
- D. Assessment balance due or (overpayment) (4,445)
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ \_\_\_\_\_
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ \_\_\_\_\_
- H. Overpayment carried forward \$(                    )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Dated the 9<sup>th</sup> day of Feb, 2010.

Matlock Capital, LLC  
Name of Corporation, Partnership or other organization

711 B Hull  
Authorized Signature

Authorized Signatory  
(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:                      Postmarked                      Received                      Reviewed                     

Calculations                      Documentation                      Forward Copy                     

Exceptions:                     

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning April 1, 2009  
and ending 12/31, 2009  
Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12 Part IIA Line 9, Code 4030)

\$ 8,989,769

**2b. Additions:**

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

**2c. Deductions:**

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

1,966,627

2,789,856

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(9) (i) Total interest and dividend expense (FOCUS Line 22:PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 3,353,716

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

3,353,716

Total deductions

8,110,199

2d. SIPC Net Operating Revenues

\$ 879,570

2e. General Assessment @ .0025

\$ 2,199

(to page 1 but not less than \$150 minimum)

**MATLOCK CAPITAL, LLC**  
**(formerly known as Savant Trading, LLC)**  
**(an Illinois Limited Liability Company)**  
**REPORT PURSUANT TO RULE X-17a-5(d)**  
**YEAR ENDED DECEMBER 31, 2009**