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SECURITIES AND EXCHANGE COMMISSION  
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**ANNUAL AUDITED REPORT  
 FORM X-17A-5  
 PART III**

**OMB APPROVAL**  
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 8-52628

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 January 1, 2009 AND ENDING December 31,  
2009 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Nanes, Delorme Capital Management LLC

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

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

400 Madison Avenue, Suite 12C

(No. and Street)

New York

New York

10017

(City)

(State)

(Zip Code)

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

Brian F. Zucker

732-536-4646

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

FRIEDMAN LLP

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

100 Eagle Rock Avenue, Suite 200

East Hanover

New Jersey

07936

(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)

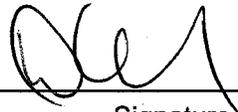
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OATH OR AFFIRMATION

I, Daryl Nanes, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Nanes, Delorme Capital Management LLC, as of December 31, 2009, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

Managing Member  
Title

  
Notary Public

STEPHAN M. LELO  
NOTARY PUBLIC, STATE OF NEW YORK  
QUALIFIED IN NASSAU COUNTY  
REG. NO. 01LE6184340  
MY COMMISSION EXPIRES 04-07-2012

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditors' Report on Internal Accounting Control.

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

# NANES, DELORME CAPITAL MANAGEMENT LLC

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**FRIEDMAN LLP**  
ACCOUNTANTS AND ADVISORS

**INDEPENDENT AUDITORS' REPORT**

To the Member  
Nanes, Delorme Capital Management LLC

We have audited the accompanying statement of financial condition of Nanes, Delorme Capital Management LLC as of December 31, 2009, 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and 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 Nanes, Delorme Capital Management 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 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.

*Friedman LLP*

February 22, 2010

**NANES, DELORME CAPITAL MANAGEMENT LLC**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2009**

**ASSETS**

Cash	\$	19,864
Due from clearing broker		46,393
Deposit with clearing firm		101,197
	\$	167,454

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable and accrued expenses	\$	10,490
Member's equity		156,964
	\$	167,454

See notes to financial statements.

**NANES, DELORME CAPITAL MANAGEMENT LLC**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2009**

<b>Revenues</b>	
Commissions	\$ 121,106
Trading income	(112)
Interest and dividends	3,146
Other income	43,159
	<hr/>
	167,299
<hr/>	
<b>Expenses</b>	
Employee compensation and benefits	95,436
Clearing and execution fees	142,454
Professional and consulting fees	52,456
Regulatory fees	1,631
Communications	6,304
Other operating expenses	49,548
	<hr/>
	347,829
	<hr/>
<b>Net loss</b>	<b>\$ (180,530)</b>

See notes to financial statements.

**NANES, DELORME CAPITAL MANAGEMENT LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**YEAR ENDED DECEMBER 31, 2009**

<b>Balance, January 1, 2009</b>	\$ 155,494
Net loss	(180,530)
Contributions from member	182,000
<b>Balance, December 31, 2009</b>	<b>\$ 156,964</b>

See notes to financial statements.

NANES, DELORME CAPITAL MANAGEMENT LLC

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2009

<b>Cash flows from operating activities</b>	
Net loss	\$ (180,530)
Adjustments to reconcile net loss to net cash used in operating activities	
Changes in assets and liabilities	
Security deposits	12,349
Due from clearing broker	299
Deposit with clearing firm	13,282
Accounts payable and accrued expenses	(11,666)
<hr/> Net cash used in operating activities	<hr/> (166,266)
 <b>Cash flows from financing activities</b>	
Contributions from member	182,000
<hr/>	
Net increase in cash	15,734
Cash, beginning of year	4,130
<hr/> Cash, end of year	<hr/> \$ 19,864

See notes to financial statements.

# NANES, DELORME CAPITAL MANAGEMENT LLC

## NOTES TO FINANCIAL STATEMENTS

### 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Description of Business**

Nanes, Delorme Capital Management LLC (the Company), a Delaware limited liability company, is registered as a broker-dealer with the Securities and Exchanges Commission and is a member of the Financial Industry Regulatory Authority, Inc. It offers investment advice and execution services to the general public.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Concentration of Credit Risk for Cash**

The Company's cash balances are maintained at one financial institution. Balances are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

Balances held at the clearing broker are insured by the Securities Investor Protection Corporation subject to certain limitations.

#### **Clearing Operations**

All Company and customer transactions are cleared on a fully disclosed basis through an independent broker-dealer. The Company pays the broker-dealer various charges and fees for clearing services provided. All customer-related balances are carried on the books of the clearing agents.

#### **Revenue and Expense Recognition**

Securities transactions and the related commission revenue and expenses are recorded on a trade date basis.

#### **Income Taxes**

The Company is not a taxpaying entity for income tax purposes and, accordingly, no provision has been made for income taxes. The member's allocable share of the Company's income or loss is reportable on his income tax return.

Federal, state and local income tax returns for years prior to 2006 are no longer subject to examination by tax authorities.

## NANES, DELORME CAPITAL MANAGEMENT LLC

### NOTES TO FINANCIAL STATEMENTS

#### 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Subsequent Events**

These financial statements were approved by management and available for issuance on February 22, 2010. Management has evaluated subsequent events through this date.

##### **Fair Value of Financial Assets and Liabilities**

Financial assets and liabilities are reported at their carrying value which approximates fair value.

#### 2 - DEPOSIT WITH CLEARING FIRM

The Company is required to maintain a clearing deposit in the amount of \$100,000. The Company, as an introducing broker, is required under the terms of its fully disclosed clearing agreement with its clearing broker to maintain net capital of \$150,000. The Company was in compliance at December 31, 2009.

#### 3 - REGULATORY REQUIREMENTS

As a registered broker-dealer, the Company is subject to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, which requires that the Company's aggregate indebtedness shall not exceed fifteen times net capital, as defined, under such provision. At December 31, 2009, the Company had net capital of \$155,767, which exceeded requirements by \$55,767. The ratio of aggregate indebtedness to net capital was 0.067 to 1.

The Company operates its securities transactions under the provisions of (K)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission as a fully disclosed broker-dealer and accordingly, customer accounts are carried on the books of the clearing broker.

#### 4 - RELATED PARTY TRANSACTIONS

The Company currently subleases space from an affiliated entity. Under the agreement, the Company does not pay rent for the one year term commencing November, 2009. Commencing November, 2010 the Company and its affiliate will agree upon a monthly rent payment. The Company earned commissions of approximately \$12,700 in 2009 with the same affiliate.

**NANES, DELORME CAPITAL MANAGEMENT LLC**

**NOTES TO FINANCIAL STATEMENTS**

**5 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET CREDIT RISK**

The Company is engaged in various brokerage activities whose counterparties are primarily institutions. In the normal course of business, the Company is involved in the executions and settlement of various securities transactions. These activities may expose the Company to off-balance sheet risk in the event that the counterparty is unable to fulfill its contracted obligations. The Company is therefore exposed to risk of loss on these transactions in the event of a contra party being unable to meet the terms of their contracts which may require the Company to purchase or sell financial instruments at prevailing market prices.

**SUPPLEMENTARY INFORMATION**

**Pursuant to Rule 17a-5 of the Securities Exchange Act of 1934**

**As of December 31, 2009**

NANES, DELORME CAPITAL MANAGEMENT LLC

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF  
THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2009

<b>Computation of net capital</b>	
Total member's equity	\$ 156,964
Deductions and/or charges	
Excess clearing deposit	1,197
<b>Net capital</b>	<b>\$ 155,767</b>
<b>Computation of aggregate indebtedness</b>	
Accounts payable to non-customers includable in aggregate indebtedness	\$ 10,490
<b>Aggregate indebtedness</b>	<b>\$ 10,490</b>
<b>Computation of basic net capital requirement</b>	
Minimum net capital required (6 2/3% of aggregate indebtedness)	\$ 699
Minimum dollar requirement	100,000
Net capital requirement (greater of minimum net capital or dollar requirement)	\$ 100,000
<b>Excess net capital</b>	<b>\$ 55,767</b>
<b>Excess net capital at 1000 percent</b>	<b>\$ 154,718</b>
<b>Ratio: aggregate indebtedness to net capital</b>	<b>0.067 to 1</b>

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited Form X-17a-5 Part II A filing.

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

To the Member  
Nanes, Delorme Capital Management LLC

In planning and performing our audit of the financial statements of Nanes, Delorme Capital Management 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 audit 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 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 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 or 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 a 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 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, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the Financial Industry Regulatory Authority, Inc. 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.

A handwritten signature in black ink that reads "Friedman LLP". The signature is written in a cursive, stylized font.

Certified Public Accountants

East Hanover, New Jersey  
February 22, 2010

**NANES, DELORME CAPITAL MANAGEMENT LLC**

**ANNUAL AUDITED REPORT**

**FORM X-17A-5**

**PART III**

**SEC FILE NO. 8-52628**

**YEAR ENDED DECEMBER 31, 2009**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**SEC**  
Mail Processing  
Section

FEB 25 2010