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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- 51043

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: Artisan Distributors LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
875 East Wisconsin Avenue, Suite 800

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street) Milwaukee WI 53202  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Lawrence A. Totsky (414) 390-6100  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

(Name - if individual, state last, first, middle name)  
100 East Wisconsin Avenue, Suite 1800 Milwaukee WI 53202  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

SEC  
Mail Processing  
Section  
FEB 26 2010

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Washington, DC  
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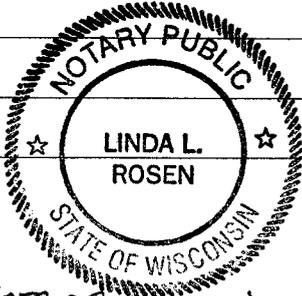
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

JD  
3/6/2010

OATH OR AFFIRMATION

I, Lawrence A. Totsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Artisan Distributors 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:

- None -



STATE OF WISCONSIN  
MILWAUKEE COUNTY

Linda L. Rosen  
Notary Public

*my commission expires 4-14-2013.*

Lawrence A. Totsky  
Signature  
Chief Financial Officer

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).

**Artisan Distributors LLC**  
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**December 31, 2009 and 2008**

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**Report of Independent Auditors**

To the Sole Member of Artisan Distributors LLC

In our opinion, the accompanying statements of financial condition and the related statements of operations, of changes in member's equity and of cash flows present fairly, in all material respects, the financial position of Artisan Distributors LLC (the "Company"), a wholly-owned subsidiary of Artisan Partners Holdings LP, at December 31, 2009 and 2008, and the results of its operations, changes in its member's equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. 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 audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Notes 3 and 6, the Company transacts business with its member. Because of this relationship, the terms of these transactions may not be the same as those that would result from transactions among unrelated parties.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III 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.



February 12, 2010

**Artisan Distributors LLC**  
**Statements of Financial Condition**  
**December 31, 2009 and 2008**

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| <b>ASSETS</b>             | <b>2009</b>       | <b>2008</b>       |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 172,024        | \$ 172,024        |
| Prepaid expenses          | 126,174           | 117,763           |
| Funds on deposit          | 9,337             | 32,461            |
| Total assets              | <u>\$ 307,535</u> | <u>\$ 322,248</u> |

**LIABILITIES AND MEMBER'S EQUITY**

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Liabilities:                          |                    |                    |
| Accounts payable and accrued expenses | <u>\$ 17,500</u>   | <u>\$ 17,250</u>   |
| Member's equity:                      |                    |                    |
| Paid-in capital                       | 2,327,466          | 2,124,517          |
| Accumulated deficit                   | <u>(2,037,431)</u> | <u>(1,819,519)</u> |
| Total member's equity                 | <u>290,035</u>     | <u>304,998</u>     |
| Total liabilities and member's equity | <u>\$ 307,535</u>  | <u>\$ 322,248</u>  |

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

**Artisan Distributors LLC**  
**Statements of Operations**  
**For the years ended December 31, 2009 and 2008**

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|                                    | 2009                | 2008                |
|------------------------------------|---------------------|---------------------|
| Income:                            |                     |                     |
| Miscellaneous income               | \$ -                | \$ -                |
| Expenses:                          |                     |                     |
| Registration expenses              | 146,014             | 159,551             |
| Professional fees                  | 31,274              | 101,131             |
| Marketing and advertising expenses | 40,070              | 39,600              |
| Other                              | 554                 | 1,556               |
| Total expenses                     | <u>217,912</u>      | <u>301,838</u>      |
| Net loss                           | <u>\$ (217,912)</u> | <u>\$ (301,838)</u> |

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

**Artisan Distributors LLC**  
**Statements of Changes in Member's Equity**  
**For the years ended December 31, 2009 and 2008**

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|   | <b>2009</b>        | <b>2008</b>        |
|---|--------------------|--------------------|
| Paid-in capital:  |                    |                    |
| Balance at beginning of year                            | \$ 2,124,517       | \$ 1,808,087       |
| Capital contributions from Artisan Partners Holdings LP | 202,949            | 316,430            |
| Balance at end of year                                  | <u>2,327,466</u>   | <u>2,124,517</u>   |
| Accumulated deficit:                                    |                    |                    |
| Balance at beginning of year                            | (1,819,519)        | (1,517,681)        |
| Net loss  | (217,912)          | (301,838)          |
| Balance at end of year                                  | <u>(2,037,431)</u> | <u>(1,819,519)</u> |
| Total member's equity                                   | <u>\$ 290,035</u>  | <u>\$ 304,998</u>  |

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

**Artisan Distributors LLC**  
**Statements of Cash Flows**  
**For the years ended December 31, 2009 and 2008**

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|   | <b>2009</b>       | <b>2008</b>       |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                |                   |                   |
| Net loss  | \$ (217,912)      | \$ (301,838)      |
| Adjustments to reconcile net loss to net cash used in operating activities: |                   |                   |
| Change in:  |                   |                   |
| Prepaid expenses and funds on deposit                                       | 14,713            | (15,342)          |
| Accounts payable and accrued expenses                                       | 250               | 750               |
| Net cash used in operating activities                                       | <u>(202,949)</u>  | <u>(316,430)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                |                   |                   |
| Capital contributions from Artisan Partners Holdings LP                     | <u>202,949</u>    | <u>316,430</u>    |
| Net cash provided by financing activities                                   | <u>202,949</u>    | <u>316,430</u>    |
| Net change in cash and cash equivalents                                     | -                 | -                 |
| Cash and cash equivalents, beginning of year                                | <u>172,024</u>    | <u>172,024</u>    |
| Cash and cash equivalents, end of year                                      | <u>\$ 172,024</u> | <u>\$ 172,024</u> |

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

# Artisan Distributors LLC

## Notes to Financial Statements

### For the Years Ended December 31, 2009 and 2008

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#### 1. Nature of Operations

Artisan Distributors LLC (the "Company") was formed as a limited liability company in the State of Wisconsin. The Company's exclusive activity is to act as principal distributor of the shares of Artisan Funds, Inc., a registered open-end, diversified, management investment company, presently consisting of eleven no-load mutual funds. The Company's sole member is Artisan Partners Holdings LP ("Artisan Partners Holdings"), which was known as Artisan Partners Limited Partnership until June 2009.

The Company is registered as a broker-dealer under the Securities Exchange Act of 1934.

#### 2. Summary of Significant Accounting Policies

##### **Basis of Presentation**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates or assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual future results could differ from these estimates and assumptions.

##### **Cash and cash equivalents**

The Company defines cash and cash equivalents as all highly liquid investments with original maturities of 90 days or less. Cash and cash equivalents are stated at cost which approximates fair value.

##### **Prepaid expenses and funds on deposit**

Prepaid expenses represent registration expenses paid to the Financial Industry Regulatory Authority ("FINRA"). Registration expenses are calculated on a per agent basis. As of December 31, 2009, all agents of the Company were employees of Artisan Partners Holdings. Effective January 1, 2010, all agents of the Company are employees of Artisan Partners Limited Partnership. Funds on deposit represent deposits with FINRA for future registration and advertising filings.

##### **Revenue recognition**

The Company receives no revenue for services provided as distributor of the shares of Artisan Funds, Inc.

##### **Recent accounting changes**

In May 2009, the FASB updated accounting standards relating to the recognition and disclosure of subsequent events. The updated standard requires the disclosure of the date through which subsequent events were evaluated. Artisan adopted this update to accounting standards and it did not have a material impact to the Financial Statements. The Company has evaluated subsequent events through February 12, 2010, the date these financial statements were available to be issued. Based on this evaluation, no events have occurred subsequent to December 31, 2009 that require disclosure or adjustment to the financial statements at that date or for the period then ended.

In June 2009, the FASB issued FASB ASC 105-10, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles* (formerly SFAS 168). FASB ASC 105-10 replaces SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*, and establishes the FASB Accounting Standards Codification ("Codification") as the source of authoritative accounting principles recognized by the FASB which should be applied by non-governmental entities in the preparation of financial statements in conformity with U.S. GAAP. The Codification became the exclusive authoritative reference at September 30, 2009. Updates to

**Artisan Distributors LLC**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2009 and 2008**

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the Codification are issued as Accounting Standard Updates ("ASUs") by the FASB. The adoption of the Codification does not impact Artisan's Consolidated Financial Statements except for references made to authoritative accounting literature in the Notes to the Financial Statements.

**3. Related Party Transactions**

All direct expenses attributable to the Company, such as registration, licensing, professional fees and marketing fees, are accrued and recorded in the Company's financial statements. Artisan Partners Holdings provides the Company with capital contributions to pay direct expenses and maintain required net capital. Other expenses which are not identified as direct expenses, such as rent, utilities and administrative expenses, or which are not specifically attributable to the Company, are paid directly by Artisan Partners Holdings or its subsidiaries and recorded on the books and records of Artisan Partners Holdings or its subsidiaries, as applicable.

**4. Income Taxes**

The Company is a limited liability company, the profits and losses of which are passed through and included in the tax return of its sole member, Artisan Partners Holdings. Accordingly, the Company's financial statements do not reflect a provision for income taxes.

**5. Commitments and Contingencies**

Accounting standards require the disclosure of representations and warranties which the Company enters into and which may provide general indemnifications to others. The Company, in its normal course of business, may enter into contracts that contain such representations and warranties. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on its experience, the Company expects the risk of loss to be remote.

**6. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's (the "SEC") 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 by the SEC, shall not exceed 15 to 1. On December 31, 2009, the Company's ratio of aggregate indebtedness to net capital was 0.11 to 1.00 and net capital was \$154,524, which was \$129,524 in excess of the minimum capital required of \$25,000. Artisan Partners Holdings has agreed to make sufficient capital contributions to the Company to keep the Company's net capital from falling below its required minimum net capital requirements.

**Artisan Distributors LLC**  
**Supplementary Schedules**  
**December 31, 2009**

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**SCHEDULE I**

Computation of Net Capital Pursuant to Rule 15c3-1

Net capital

|  |    |         |
|--|----|---------|
| Total member's equity                                | \$ | 290,035 |
| Total member's equity qualified for net capital      | \$ | 290,035 |
| Total capital and allowable subordinated liabilities | \$ | 290,035 |
| Deduction of total nonallowable assets               |    | 135,511 |
| Net capital before haircuts on securities            |    | 154,524 |
| Haircuts on securities                               |    | -       |
| Net capital  | \$ | 154,524 |

Aggregate Indebtedness

|  |    |        |
|--|----|--------|
| Total aggregate indebtedness liabilities | \$ | 17,500 |
| Total aggregate indebtedness             | \$ | 17,500 |

Computation of Basic Net Capital Requirements

|  |    |         |
|--|----|---------|
| Minimum net capital required (greater of \$25,000 or 6 2/3% of total aggregate indebtedness) | \$ | 25,000  |
| Excess net capital   | \$ | 129,524 |
| Percentage of aggregate indebtedness to net capital  |    | 11%     |

**Artisan Distributors LLC**  
**Supplementary Schedules**  
**December 31, 2009**

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**SCHEDULE II**

Computation for Determination of Reserve Requirements  
Pursuant to Rule 15c3-3

Artisan Distributors LLC claims exemption from Rule 15c3-3 under the provisions of Rule 15c3-3(k)(I) which exempts broker-dealers whose transactions are limited to the sale and redemption of redeemable securities of registered investment companies.

**SCHEDULE III**

Reconciliation Pursuant to Rule 17a-5(d)(4)

No differences exist between the net capital included in the audited financial statements and the computation of net capital filed with the unaudited FOCUS Report IIA – Form X-17a-5 as of December 31, 2009.

**Report of Independent Auditors on Internal Control  
Required By SEC Rule 17a-5**

To the Sole Member of Artisan Distributors LLC

In planning and performing our audit of the financial statements and supplemental schedules of Artisan 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 (the "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. The periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
2. Determinations of compliance with the exemptive provisions of Rule 15c3-3.

Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13; and
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 in the United States of America. 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, second, and third 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 were adequate at December 31, 2009 to meet the SEC's objectives.

This report is intended solely for the information and use of the Company's 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.



February 12, 2010

# **Artisan Distributors LLC**

**Financial Statements and Supplementary  
Schedules Pursuant to Rule 17a-5  
of the Securities Exchange Act of 1934  
December 31, 2009 and 2008**