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

Washington, DC  
122

SEC FILE NUMBER  
8- 66791

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: Schneider Downs Corporate Finance

OFFICIAL USE ONLY

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

FIRM I.D. NO.

1133 Penn Avenue

(No. and Street)

Pittsburgh

PA

15222

(City)

(State)

(Zip Code)

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

Don Linzer (412) 697-5488

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Plante & Moran, PLLC

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

537 E. Pete Rose Way

Cincinnati

OH

45202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

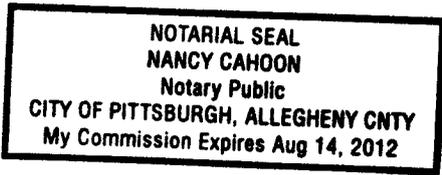
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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)

OATH OR AFFIRMATION

I, Don Linzer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Schneider Downs Corporate Finance, LP, 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]  
Signature  
CEO  
Title

[Signature]  
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of 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 Auditor's Report on Internal Accounting Control

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

## Independent Auditor's Report

To the Partners  
Schneider Downs Corporate Finance, LP

We have audited the accompanying statement of financial condition of Schneider Downs Corporate Finance, LP (a Pennsylvania limited partnership) (the "Company") as of December 31, 2009 and the related statements of operations and changes in partners' capital 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Schneider Downs Corporate Finance, LP 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 the purpose 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.

*Plante & Moran, PLLC*

Cincinnati, Ohio  
February 22, 2010

# Schneider Downs Corporate Finance, LP

## Statement of Operations and Changes in Partners' Capital For the Year Ended December 31, 2009

### Revenues

Commissions	\$	89,164
Other		<u>638,979</u>

728,143

### Expenses

Employee compensation and benefits (Note 7)		478,652
Regulatory fees and expenses		18,743
Occupancy		36,000
Marketing expense		18,679
Professional services		15,387
Management fees		62,087
Other operating expenses		<u>37,429</u>

666,977

**Net Income** **\$ 61,166**

**Partners' Capital at December 31, 2008** 330,490

**Partner Contributions** 5,940

**Partners' Capital at December 31, 2009** **\$ 397,596**

See Notes to Financial Statements.

# Schneider Downs Corporate Finance, LP

## Statement of Cash Flows For the Year Ended December 31, 2009

### Cash Flows from Operating Activities

Net income	\$	61,166
Changes in:		
Receivables from non-customers		(74,527)
Other assets		(45,058)
Accounts payable, accrued expenses, and other liabilities		<u>(10,753)</u>

**Net Cash Used in Operating Activities** \$ **(69,172)**

### Cash Flows from Investing Activities

Borrowings from affiliated entity		234,155
Advances/payments to affiliated entity		<u>(263,540)</u>

**Net Cash Used in Investing Activities** (29,385)

**Net Decrease in Cash** \$ **(98,557)**

**Cash at Beginning of Year** 360,613

**Cash at End of Year** \$ **262,056**

### Supplemental Disclosure of Cash

Noncash partners' capital contributions made through reduction of payable to affiliated entity	\$	<u><u><b>5,940</b></u></u>
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See Notes to Financial Statements.

# Schneider Downs Corporate Finance, LP

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**Notes to Financial Statements  
December 31, 2009**

## **Note I - Significant Accounting Policies**

**Nature of Business** - Schneider Downs Corporate Finance, LP (the "Company"), formerly Lewis & Clark Investments, LP, is a licensed business providing securities advice principally related to mergers and acquisitions and other strategic transactions. The Company is exempt from the reporting requirements under Rule 15c3-3(k)(2)(i).

The Company organized on August 17, 2004 as a limited partnership. The Company received Financial Industry Regulatory Authority (formerly National Association of Securities Dealers) approval on June 29, 2005.

**Basis of Accounting** - These financial statements have been prepared on the accrual basis of accounting.

Revenue from non-refundable retainer fees is deferred and recognized systematically over the periods in which the services are estimated to be delivered. Revenues from investment banking service commissions completed on a best-efforts basis are recognized upon completion of the transaction as outlined in related contracts.

**Cash** - The Company considers cash and all highly liquid short-term securities with an original maturity of three months or less to be cash and cash equivalents. The Company maintains its cash balances at banks in the United States of America.

**Receivables from Non-customers** - The Company grants trade credit during the normal course of business without requiring collateral. Accounts receivable are stated at their contractual outstanding balances, which approximate fair value, net of any allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts based on prior bad debt experience and a review of existing receivables. A balance is written off once it is clearly apparent that it is uncollectible. Management does not believe an allowance for doubtful accounts is necessary at December 31, 2009.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

# Schneider Downs Corporate Finance, LP

## Statement of Financial Condition Year Ended December 31, 2009

### Assets

Cash	\$	262,056
Receivables from non-customers		96,764
Due from affiliated entity		14,542
Other assets		<u>59,776</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>433,138</u></b>

### Liabilities and Partners' Capital

Accounts payable, accrued expenses, and other liabilities	\$	35,542
Partners' capital (Note 2)		<u>397,596</u>
<b>Total Liabilities and Partners' Capital</b>	<b>\$</b>	<b><u>433,138</u></b>

See Notes to Financial Statements.

# Schneider Downs Corporate Finance, LP

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**Notes to Financial Statements**  
**December 31, 2009**

## **Note 2 - Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission 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 \$226,514, which was \$221,514 in excess of the required net capital of \$5,000. The Company had aggregate indebtedness of \$35,542 at December 31, 2009.

## **Note 3 - Liabilities Subordinated to Claims of General Creditors**

The Company had no liabilities subordinated to the claims of general creditors during the year. Therefore, no statement of changes in liabilities subordinated to the claims of general creditors is presented in these financial statements.

## **Note 4 - Income Taxes**

The Company, with the consent of its partners, has elected to have its income or loss reported directly by the partners under provisions of partnership taxation of the Internal Revenue Code.

## **Note 5 - Related Party Transactions**

The partners of the Company also have ownership in other affiliated entities. The Company has various employment, administrative, and services agreements with these affiliated entities. The Company earns revenue and incurs expenses under these agreements.

The Company recognized approximately \$4,500 in revenues under a services agreement with an affiliated entity during the year ended December 31, 2009.

The Company incurred \$62,087 in management fees under employment and administrative agreements with affiliated entities during the year ended December 31, 2009. The Company also leases office space from an affiliated entity on a month-to-month basis. Rent incurred to this affiliated entity was \$36,000 for the year ended December 31, 2009.

Amounts due from affiliated entities totaled \$14,542 as of December 31, 2009.

# **Schneider Downs Corporate Finance, LP**

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**Notes to Financial Statements  
December 31, 2009**

## **Note 6 - Concentration**

During the year ended December 31, 2009, two customers accounted for approximately 16 percent and 12 percent of total revenues.

## **Note 7 - Defined Contribution Pension Plan**

The Company sponsors a 401(k) retirement plan covering substantially all of its employees. The Company made contributions of \$8,470 in 2009.

## Supplementary Information

# Schneider Downs Corporate Finance, LP

## SCHEDULE I

### Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission December 31, 2009

#### Net Capital

Total partners' capital	\$ 397,596
Deductions and/or charges	
Non-allowable assets:	
Receivables from non-customers	(96,764)
Due from affiliated entity	(14,542)
Other assets	(59,776)
Net capital before haircuts on securities	<u>226,514</u>
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1 (f))	
Trading and investment securities	
Other securities	-
Undue concentrations	-
	<u>-</u>
<b>Net Capital</b>	<b><u><u>\$ 226,514</u></u></b>

#### Aggregate Indebtedness

Accounts payable, accrued expenses, and other liabilities	\$ <u>35,542</u>
<b>Total Aggregate Indebtedness</b>	<b><u><u>\$ 35,542</u></u></b>

#### Computation of Basic Net Capital Requirement

Minimum net capital required	\$ <u>5,000</u>
Excess net capital	\$ <u>221,514</u>
Excess at 1000%	\$ <u>222,960</u>
Ratio: Aggregate indebtedness to net capital	<u>16%</u>

#### Reconciliation with Company's Computation

(included in Part IIA of Form X-17A-5 as of December 31, 2009)

Net capital as reported in Company's Part IIA FOCUS report	\$ 227,983
Adjustment of accrual balances	(1,469)
Net capital per above	<b><u><u>\$ 226,514</u></u></b>

See Notes to Financial Statements.

To the Partners  
Schneider Downs Corporate Finance, LP

In planning and performing our audit of the financial statements and supplemental schedule of Schneider Downs Corporate Finance, LP (the "Company") 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 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 and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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.

To the Partners  
Schneider Downs Corporate Finance, LP

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities 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 the partners, management, the SEC, the Financial Industry Regulatory Authority, 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.

*Plante & Moran, PLLC*

Cincinnati, Ohio  
February 22, 2010

plante  
moran