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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

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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, 2010 (MM/DD/YY) AND ENDING December 31, 2010 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LEERINK SWANN LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

One Federal St., 37th Floor

(No. and Street)

Boston	Massachusetts	02110
(City)	(State)	(Zip Code)

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

(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*)

300 Madison Avenue	New York	NY	10017
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

X 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)

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.

JD
3/9/2011

OATH OR AFFIRMATION

I, Jeffrey Leerink, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Leerink Swann LLC, as of December 31, 20 10, 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

Chief Executive Officer

Title

JILLIAN M. FITZGERALD
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
July 22, 2016

Notary Public

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

X (a) Facing Page.
X (b) Statement of Financial Condition.
X (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.
X (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.
X (l) An Oath or Affirmation.
X (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).*

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Leerink Swann LLC

Year Ended December 31, 2010
with Report and Supplementary Report of
Independent Registered Public Accounting Firm
(Confidential Pursuant to SEC Rule 17a-5(e)(3))

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FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

Leerink Swann LLC

Year Ended December 31, 2010
with Report and Supplementary Report of
Independent Registered Public Accounting Firm
(Confidential Pursuant to SEC Rule 17a-5(e)(3))

Leerink Swann LLC

Financial Statements and Supplemental Information

Year Ended December 31, 2010

Contents

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Report of Independent Auditors

To The Board of Managers and
Member of Leerink Swann LLC

In our opinion, the accompanying statement of financial condition and the related statements of operations, changes in member's equity capital and cash flows present fairly, in all material respects, the financial position of Leerink Swann LLC (the "Company") at December 31, 2010, 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. 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 of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

February 23, 2011

PricewaterhouseCoopers LLP, PricewaterhouseCoopers Center, 300 Madison Avenue, New York, NY 10017
T: (646) 471 3000, F: (813) 286 6000, www.pwc.com/us

Leerink Swann LLC
Statement of Financial Condition
December 31, 2010

Assets	
Cash and cash equivalents	$40,271,921
Deposits with clearing organizations	250,091
Receivable from clearing organizations	120,754
Receivable from customers	4,615,660
Notes receivable from employees, net of reserve of $162,566 and accumulated amortization of $1,685,958	3,478,633
Marketable securities, at fair value	6,821,976
Non-marketable securities, at estimated fair value	1,208,753
Due from affiliates	3,049,443
Advances to employees	88,383
Prepaid expenses	1,009,362
Furniture, equipment, and leasehold improvements, net	2,557,413
Goodwill	623,026
Other assets	481,796
Total assets	$64,577,211
Liabilities and member's equity	
Liabilities:	
Securities sold, not yet purchased, at fair value	$ 2,557,535
Accrued compensation, employee benefits, and payroll taxes	25,759,863
Accounts payable and accrued expenses	4,867,624
Deferred rent	1,138,623
Note payable	138,000
	34,461,645
Commitments and contingencies	–
Member's equity	30,115,566
Total liabilities and member's equity	$64,577,211

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

Leerink Swann LLC
Statement of Operations
Year Ended December 31, 2010

Revenue	
Commissions, net	$51,036,516
Corporate finance fees	27,991,700
Corporate consulting fees	7,898,443
MEDACorp advisory fees	1,382,864
Trading and investment gains	623,424
Interest and dividends	186,626
Other	127,670
Total revenue	89,247,243
Expenses	
Employee compensation and benefits	69,365,550
Occupancy and communication costs	5,100,709
Trading and quotes	4,882,444
Clearing and execution	3,577,126
Travel and entertainment	2,628,316
Physician conference calls and polling costs	2,584,476
Professional services	2,563,100
Depreciation	1,320,698
Other	3,944,585
Total expenses	95,967,004
Net loss	$ (6,719,761)

The accompanying notes are an integral part of these financial statements

Leerink Swann LLC
Statement of Changes in Member's Equity
December 31, 2010

Balance at January 1, 2010	$ 35,027,738
Contribution from Parent	500,000
Dividends to Parent	(829,827)
Repurchase of units of Parent	(3,808,421)
Compensation associated with share-based plans	5,945,837
Net loss	(6,719,761)
Balance at December 31, 2010	$ 30,115,566

The accompanying notes are an integral part of these financial statements

Leerink Swann LLC
Statement of Cash Flows
Year Ended December 31, 2010

Operating activities	
Net loss	$ (6,719,761)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	1,320,698
Gain on investments	(623,424)
Bad debt expense	(317,074)
Loss on sale of fixed assets	91,920
Share-based compensation expense	5,945,837
Change in fair value of non-marketable securities	(42,028)
Changes in operating assets and liabilities:	
Receivable from clearing organizations	61,886
Marketable securities, at fair value	2,100,171
Receivable from customers	4,934,306
Employee notes receivable, net	(2,138,421)
Due from affiliates	(3,014,951)
Advances to employees	51,703
Prepaid expenses	291,982
Securities sold, not yet purchased	(5,183,160)
Accrued compensation, employee benefits, and payroll taxes	(6,142,228)
Accounts payable and accrued expenses	435,998
Deferred rent	(417,925)
Other assets	455,841
Net cash used in operating activities	(8,908,630)
Investing activities	
Proceeds from liquidation of non-marketable investments	3,092,203
Payments for new non-marketable investments	(17,465)
Purchases of furniture, equipment, and leasehold improvements	(583,013)
Net cash provided by investing activities	2,491,725
Financing activities	
Capital contribution from Parent	500,000
Dividends to Parent	(829,827)
Repurchase of units of Parent	(3,808,420)
Net cash used in financing activities	(4,138,247)
Net decrease in cash and cash equivalents	(10,555,152)
Cash and cash equivalents at beginning of year	50,827,073
Cash and cash equivalents at end of year	$ 40,271,921
Supplemental cash flow information	
Non-cash purchase of investments (non-marketable)	175,000

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

1. Organization and Nature of Business

Leerink Swann LLC (the "Company") is registered with the Securities and Exchange Commission (SEC) as a securities broker/dealer under Section 15(b) of the Securities Exchange Act of 1934, and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a wholly-owned subsidiary of Leerink Swann Holdings LLC ("Holdings" or "Parent"), which was formed September 7, 2007.

The Company, formerly known as Leerink Swann & Co., was a wholly-owned subsidiary of Leerink Swann Massachusetts Business Trust ("Trust") until the formation of Holdings, at which time, Trust contributed (at book value) its interest in the Company for a majority stake in Holdings. The remaining ownership of Holdings is held by outside investors and employees of the Company.

As a non-clearing broker, all customer transactions are cleared on a fully disclosed basis through an unrelated third-party clearing firm, which is also a registered broker/dealer.

On June 30, 2010, Leerink Swann Consulting LLC ("LSC") was established as a wholly owned subsidiary of Leerink Swann Holdings LLC. Effective July 1, 2010, the Corporate Consulting business segment of the Company was spun off and moved to LSC. The operating results of Corporate Consulting business are included with those of the Company for the period from January 1, 2010 through June 30, 2010.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

The Company has defined cash equivalents as liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

Deposits with Clearing Organizations

Cash and securities are kept on deposit with various clearing organizations, and represent the minimum balance required to be maintained in order to utilize various clearing brokers. This balance is subject to withdrawal restrictions such that the Company would be prohibited from doing business with the clearing brokers if the minimum cash balance on deposit is not maintained.

Securities

Marketable securities are carried at fair value based upon quoted market prices. At December 31, 2010, all marketable securities owned were equity securities.

Non-marketable securities are recorded at fair value and consist of investments in two hedge funds and equity positions in several private companies, some of which are in the early stages of development. The fair value of the investments in hedge funds is equal to the Company's pro rata interest in the net assets of each hedge fund, the fair value of which is supplied by the hedge fund manager to the Company at least on a quarterly basis. The fair value of a hedge fund investment is reviewed by the Company in accordance with its internal investment policy based upon its knowledge of the hedge fund's investment strategy and current market conditions. The Company may liquidate its position in the hedge funds at the fair value indicated on the most recent quarterly statement provided by the hedge manager with a minimum of 30-day notice. The fair value of the equity investments in the private companies is determined by management after considering all available market information and its knowledge of the companies, which may include information provided by third parties familiar with such financial instruments. In all cases, the Company values its investments in non-marketable securities based upon reasonably available relevant information as it considers material. Because of the inherent uncertainty of any valuation in non-publicly traded funds or companies, the fair value ascribed to such investments may differ significantly from the values that would have been used had a ready market for the investments held by the Company been available.

Unrealized and realized gains and losses on securities are included within "Trading and investment gains" in the Statement of Operations in the current period.

Notes Receivable from Employees and Advances to Employees

Notes receivable from employees represent loans to employees in anticipation of their continued employment, and generation of commission revenue in accordance with each specific agreement. The notes are not collateralized and will be forgiven at some future date. Certain loans provide for interest at a fair market rate and are presented as notes receivable. Loans or draws not supported by notes and interest are included as advances to employees. The notes are amortized over time, and the amortization is included in compensation expense. The Company establishes a bad debt reserve for notes and advances to employees when collection is considered by management to be doubtful, primarily in cases when the employee has left the Company before the note or advance had been fully amortized.

Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are carried at cost less accumulated depreciation and amortization. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from three to seven years for furniture and computers. Leasehold improvements are amortized over the lesser of the estimated useful life or the remaining lease term.

Goodwill

Goodwill is not amortized, but is reviewed for impairment on at least an annual basis, or more frequently when circumstances indicate impairment could exist. An impairment loss is recognized if the estimated fair value of the Company is less than its book value, and is recorded in the Statement of Operations for that period.

The Company completed its annual evaluation of goodwill as of December 31, 2010 and determined that no impairment charge was required. Subsequent to December 31, 2010, no events have occurred, or circumstances have changed that would reduce the fair value of goodwill below its book value.

Goodwill as of December 31, 2010 related to the 2001 acquisition of MEDACorp.

Securities Transactions and Commissions

Securities transactions and the related revenue and expenses, including commission revenue and expenses, are recorded on a trade date basis, net of capital commitments. Customers' securities transactions are recorded on a settlement date basis on the records of the clearing broker.

Corporate Finance Fees

Corporate finance fees include gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Corporate finance fees also include fees earned from providing merger-and-acquisition and financial restructuring advisory services. Corporate finance fees are recorded on offering date, sales concessions on trade date, and underwriting fees at the time the underwriting is completed and the income is reasonably determinable.

Corporate Consulting Fees

Revenues for corporate consulting fees are recorded as earned over the life of the contract.

MEDACorp Advisory Fees

The Company offer clients with access to the MEDACorp network with healthcare experts who provide opinions in various healthcare fields. MEDACorp advisor fees are recorded based on the activity usage on the network and the terms of the contract.

Deferred Rent

Minimum lease payments are expensed ratably over the term of the lease. When a lease contains a predetermined fixed escalation of the minimum lease payments, the related rent expense is recognized on a straight-line basis, and the difference between cash paid and rent expense is recorded as deferred rent. Lease incentives are deferred and amortized as a reduction to rent expense over the term of the lease, on a straight-line basis.

Securities Sold, Not Yet Purchased, at Fair Value

Securities sold, not yet purchased, represent obligations of the Company to deliver specified securities at contracted prices, and thereby, create a liability to purchase the security in the market at prevailing prices. Such securities are recorded as liabilities in the statement of financial condition at fair value. The Company's investments in securities and amounts due from brokers are partially restricted until the Company satisfies the obligation to deliver securities sold, but not yet purchased.

Share-Based Compensation

Share-based compensation is recorded based upon the fair value of the share-based payment as of the grant date. The fair value as of the grant date, or cost of the award, is recognized over the period during which an employee is required to provide service in exchange for the award, referred to as the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. If vesting is based solely on one or more service, market, or performance conditions, any previously recognized compensation cost is reversed if the award does not vest (that is, the requisite service is not rendered). This would include instances when previously issued awards are forfeited by the employee.

Income Taxes

The Company, together with its Parent, is a single member limited liability company which is taxed as a partnership. As a partnership, the Company is subject to unincorporated business taxes related to conducting business in certain state and local jurisdictions. These taxes are included in the Statement of Operations in "General and administrative expenses". No income tax provision is required on the remaining earnings of the Company as it is a partnership, and therefore the remaining tax effects of its activities accrue directly to its partners. The taxable income or loss of the Company and the Parent are includable in the federal and state income tax returns of the Parent's individual members.

Recent Accounting Pronouncements

Fair Value Measurements and Disclosures - Improving Disclosures about Fair Value Measurements — In January 2010, the FASB issued amended guidance for fair value measurements and disclosures. The amended guidance requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. Furthermore, this update requires a reporting entity to present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs; clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value; and amends guidance on employers' disclosures about postretirement benefit plan assets to require that disclosures be provided by classes of assets instead of by major categories of assets. The new guidance is effective for interim and annual reporting periods beginning after December 15, 2009 (January 1, 2010 for the Company), except for the disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010 (January 1, 2011 for the Company), and for interim periods within those fiscal years. In the period of initial adoption, entities will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Early adoption is permitted.

3. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants on the measurement date.

Current accounting standards provide for a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of inputs used to measure fair value are described below:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market. Examples of Level 1 financial instruments include active exchange-traded equity securities.

Level 2 – Financial assets and liabilities whose values are based on quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability. Level 2 inputs include:

(a) Quoted prices for similar assets or liabilities in active markets;

(b) Quoted prices for identical or similar assets or liabilities in non-active markets;

(c) Pricing models whose inputs are observable for substantially the full term of the asset or liability; and

(d) Pricing models whose inputs are derived principally from or corroborated by observable market information through correlation or other means for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable in the market and significant to the overall fair value measurement. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset or liability, and are based on the best available information, some of which is internally developed.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The following table presents information about the Company's financial assets and liabilities carried at fair value in the Statement of Financial Condition as of December 31, 2010:

Fair Value Measurements on a Recurring Basis

	Level 1	Level 2	Level 3	Total
Assets				
Financial instruments owned:				
Mutual Funds				
Money market funds	$3,754,072	-	-	$3,754,072
Large cap blended funds	445,880	-	-	445,880
Large cap growth funds	48,087	-	-	48,087
Mid cap value funds	38,431	-	-	38,431
Mid cap growth funds	5,068	-	-	5,068
Small cap blended funds	17,271	-	-	17,271
Small cap growth funds	2,676	-	-	2,676
Bond funds	213,855	-	-	213,855
Common Stock	2,296,636	-	-	2,296,636
Preferred Stock	-	-	715,699	715,699
Hedge Funds	-	-	493,054	493,054
Total	$6,821,976	-	$1,208,753	$8,030,729

	Level 1	Level 2	Level 3	Total
Liabilities				
Financial instruments sold, not yet purchased:				
Common Stock	$2,557,535	-	-	$2,557,535
Total	$2,557,535	-	-	$2,557,535

The following is a reconciliation of the beginning and ending balances for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2010:

	Beginning Balance	Total Gains/Losses Included in Income Principal Transactions: Unrealized Losses Related to Assets Held at Year End	Total Gains/Losses Included in Income Principal Transactions: Realized Gains Related to Assets No Longer Held	Purchases, Issuances, and Settlements	Ending Balance
Assets					
Non-marketable securities	$2,531,242	$24,465	$1,552,784	($2,899,738)	$1,208,753

4. Securities Owned and Sold, Not Yet Purchased

Marketable securities owned and sold, not yet purchased, consisted of the following trading and investment securities at estimated fair values:

	Owned	Sold, Not Yet Purchased
Equities	$2,296,636	$2,557,535
Mutual funds	4,525,340	–
Fair value at December 31, 2010	$6,821,976	$2,557,535

Securities that are not readily marketable include investment securities (a) for which there is no market on a securities exchange or no independent publicly quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or

(c) that cannot be offered or sold because of other arrangements, restrictions, or conditions applicable to the securities or the Company.

At December 31, 2010, securities that are not readily marketable, carried at estimated fair values, consisted of the following:

Equities	$715,699
Hedge funds	493,054
Estimated fair value at December 31, 2010	$1,208,753

5. Furniture, Equipment, and Leasehold Improvements

At December 31, 2010, furniture, equipment, and leasehold improvements, summarized by major classification, were as follows:

Furniture	$ 421,975
Equipment	2,009,399
Leasehold improvements	3,946,060
	6,377,434
Less: accumulated depreciation	(3,820,021)
	$ 2,557,413

For the year ended December 31, 2010, depreciation expense was $1,320,698.

6. Note Payable

The Company entered into an agreement with a third party to provide funding to the Company through a deferred compensation arrangement, structured as a note in the amount of $138,000. The third party served as a trustee of the Trust and a manager of the Company. The Company recorded the liability as the Trust disbursed the amount of the note, in cash, to the Company. The agreement provides that no principal repayment is required until 2012, and the note bears interest at a rate of 7%.

7. Subordinated Borrowings

Subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid. As of December 31, 2010, there were no subordinated borrowings.

8. Line of Credit

On July 23, 2008, the Company entered into a subordinated revolving credit agreement with the Bank of New York Mellon (the "Lender"). The agreement expired and was renewed in August 2010. The Company has requested that the Lender make loans to the Company in an aggregate principal amount not exceeding $10,000,000 to provide regulatory capital to support the general securities business of the Company as contemplated in Rule 15c3-1 under the Securities Exchange Act of 1934. The principal balance of the loan bears interest at an annual rate of Applicable Rate plus 2.00%, after, as well as before, judgment, and all other amounts owing under the Loan Documents that are not paid when due, shall bear interest, after as well as before judgment, at a rate per annum equal to the Alternate Base Rate plus 2.00%. Accrued and unpaid interest on the outstanding balance shall be payable in arrears on the maturity date. The Company shall pay to the Lender on the Closing Date a fee (the Facility Fee) equal to 1.00% of the amount of the commitment. The Company has never drawn against the line of credit and there was no outstanding balance as of December 31, 2010.

9. Distributions to Shareholders

The Company may make annual distributions to shareholders based on the previous year's taxable income of the Parent. During 2010, the Company did not made a capital tax distribution to shareholders as a result of taxable loss of the Parent in 2009.

10. Employee Share-Based Compensation and Benefit Plans

Share-Based Compensation Plans

The Company's employees participate in various share-based compensation plans sponsored by its Parent and the Trust. During 2010, employees were granted share-based awards associated with these plans, which grade vest over a three to five year period. Compensation expense related to the share-based awards was $5,944,378 for the year ended December 31, 2010. In 2009, employees were granted shared-based awards based on performance. The performance condition is contingent upon the group of employees generating revenues meeting certain targets prior to certain dates. The Company periodically assesses the probable outcome of the performance condition. The compensation cost is accrued if it is deemed probable that the service condition will be met and not accrued if meeting the service condition is not probable. The Company estimated that it is probable that one of the service conditions will be met and recognized $1,596,252 compensation expense during 2010.

For income tax purposes, the number of restricted stock units vesting at the most recent fair value is deemed taxable compensation for the employees. Employees are given the option to sell back units to the Company or make their own tax payments to cover tax liability resulting from the vesting events. The Company may also repurchase vested restricted stock units from the employees upon termination at its discretion. In 2010, total restricted stock repurchased was $3,808,421.

Defined Contribution Plan

The Company maintains a qualified defined contribution profit sharing plan for essentially all full-time employees under which the Company makes a contribution out of available profits. This plan allows employees to reduce their salary under Internal Revenue Code section 401(k). Contribution expense related to the profit sharing plan was $11,255 for the year ended December 31, 2010, and is included under employee compensation and benefits in the statement of income. This expense was related to the amortization of prior years' firm contribution. As of December 31, 2010, there was no liability accrued for the profit sharing plan.

Deferred Compensation Plan

Effective December 31, 2005, the Company implemented a deferred compensation plan. This is a non-qualified plan under Internal Revenue Code Section 409A. This plan requires employees who exceed certain compensation levels to defer a portion of their compensation into the plan. The value of assets contributed to the plan by the Company was $4,858,636 as of December 31, 2010. These assets are included in both marketable and non-marketable securities in the Statement of Financial Condition.

11. Concentration of Credit Risk

The Company occasionally maintains deposits in excess of federally insured limits. The majority of the Company's income is derived through commissions paid by customers on transactions executed through Pershing Corporation (Pershing). The Company maintains its temporary cash investments with high credit quality financial institutions. Customer commissions receivable from Pershing are available to the Company daily.

12. Commitments and Contingencies

The Company leases office facilities and equipment under various non-cancelable operating leases. The leases for the office space requires minimum annual rental payments and clauses for operating costs adjustments. For the year ended December 31, 2010, rent expense was $3,583,552.

Future minimum aggregate annual rental commitments under these non-cancelable leases for the years ending December 31 are as follows:

2011	$3,827,891
2012	4,805,176
2013	4,073,408
2014	2,654,148
Thereafter	13,705,008
	$29,065,631

The Company has been named as a defendant in various legal actions arising from its normal business activities in which varying amounts are claimed. The Company is also currently being reviewed by regulatory agencies in relation to its expert panel network activities (MEDACorp) and the activities of its investment advisory business. Its trading and market making activities are also currently being examined by FINRA as part of their Trading and Market Making Surveillance Examination Program ("TMMS"). Although the amount of ultimate liability with respect to those matters, if any, cannot be determined, in management's opinion, based upon advice from counsel, the amount of such liability will not have a material impact on the Company's financial position or results of operations.

13. Net Capital Requirements

The Company is subject to the Uniform Net Capital requirements of the SEC under Rule 15c3-1. The SEC requirements also provide that equity capital may not be withdrawn or cash dividends paid if certain minimum net capital requirements are not met. At December 31, 2010, the Company had net capital of $27,969,575 which was $27,041,897 in excess of the amount required to be maintained at that date. Under the clearing arrangement with the clearing broker, the Company is required to maintain certain minimum levels of net capital and comply with other financial ratio requirements. At December 31, 2010, the Company was in compliance with all such requirements.

14. Related Parties

Amounts receivable from related parties as of December 31, 2010 are set forth below:

Leerink Swann Holdings LLC	$1,049,652
Leerink Swann Consulting LLC	1,999,473
Other	318
Total	$3,049,443

The receivables from Holdings are primarily related to conference and professional fees incurred on behalf of Holdings. The receivables from LSC are primarily related to compensation payments to LSC employees and reimbursement of expenses incurred on behalf of LSC.

15. Subsequent Events

There were no subsequent events requiring adjustment to the financial statements or disclosure through February 23, 2011, the date that the Company's financial statements were issued.

Supplemental Information

Leerink Swann LLC
Computation of Net Capital Pursuant to SEC Rule 15c3-1
December 31, 2010

	Schedule I
Net Capital	
Member's equity	$ 35,115,566
Add: Subordinated borrowings	–
Add: Discretionary liabilities	16,127,573
Total capital	53,965,986
Non-allowable assets:	
Receivables from customers	4,565,660
Notes receivable from employees, net	3,567,017
Non-marketable securities, at fair value	1,208,753
Due from affiliates	3,049,443
Prepaid expenses	1,009,362
Furniture, equipment, and leasehold improvements, net	2,557,413
Goodwill	623,026
Other assets	481,794
Total non-allowable assets	17,062,468
Net capital before haircuts on securities positions	29,180,671
Haircuts on securities – marketable securities	1,151,103
Undue concentration	–
Other deductions	59,993
Net capital	$ 27,969,575
Aggregate indebtedness	
Items included in statement of financial condition:	
Accrued compensation, employee benefits, and payroll taxes	$ 7,550,427
Accounts payable and accrued expenses	5,088,120
Deferred rent	1,138,623
Note payable	138,000
Total aggregate indebtedness	$ 13,915,170
Minimum net capital required	$ 927,678
Excess net capital	$ 27,041,897
Excess net capital at 1,000%	$ 26,578,058
Ratio: Aggregate indebtedness to net capital	.50 to 1

There are no material differences between the preceding computation and the Company's most recently unaudited Part II of Form X-17A-5 as of December 31, 2010.

Schedule II

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) of that Rule.

Supplementary Report

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Report of Independent Auditors on Internal Control Required By SEC Rule 17a-5(g)(1)

To The Board of Managers and
Member of Leerink Swann LLC

In planning and performing our audit of the financial statements of Leerink Swann LLC (the "Company") as of and for the year ended December 31, 2010, 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 making the following:

1. The periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
2. 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 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

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management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a 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, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

February 23, 2011

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Report of Independent Accountants

SEC Mail Processing Section

FEB 28 2011

Washington, DC
110

To The Board of Managers and
Member of Leerink Swann LLC

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of the Securities Investor Protection Corporation (SIPC) of Leerink Swann LLC for the year ended December 31, 2010, which were agreed to by Leerink Swann LLC, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation (collectively, the "specified parties") solely to assist the specified parties in evaluating Leerink Swann LLC's compliance with the applicable instructions of Form SIPC-7 during the year ended December 31, 2010. Management is responsible for Leerink Swann LLC's 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 on page 1, items 2B and 2F of Form SIPC-7 with the respective cash disbursement records entries, as follows: payment dated July 27, 2010, in the amount of $83,718 compared to, cancelled check number 002715 dated 07/28/10, and payment in the amount of $78,801 compared to check number 004046 dated February 22, 2011, noting no differences.
2. Compared the Total Revenue amount reported on 3 of the audited Form X-17A-5 for the year ended December 31, 2010 to the Total revenue amount of $89,247,243 reported on page 2, item 2a of Form SIPC-7 for the year ended December 31, 2010, noting no differences.
3. Compared any adjustments reported on page 2, items 2b and 2c of Form SIPC-7 with the supporting schedules and working papers, as follows:
    a. Compared additions from Item 2b (2) (net loss from principal transactions in securities in trading accounts) of $892,423 to sum of account numbers 4320 and 9216 totaling $892,423 in the December,31, 2010 trial balance, noting no differences.
    b. Compared deduction from Item 2c (1) (revenues from the distribution of shares) of $608,351 to a schedule prepared by the client X (total MF/UIT fee revenues) of,

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    i. account number 4158 totaling $112,836.96 in the December 31, 2010 trial balance, and
    ii. the sum of $80,117.31, $98,702.57, $219,456.16 and $97,237,36 totaling $495,513.40 included on the client's schedule, noting no differences.
  c. Compared deductions on line 3, commissions, floor brokerage and clearance paid to the sum of box number 4140 as reported on the Company's FOCUS reports for March 31, June 30, September 30 and December 31, 2010, noting no differences.
  d. Compared deduction from Item 2c (7) (direct expenses of printing advertising and legal fees incurred) of $429,325 to,
    i. the sum of advertising and marketing expenses, totaling $41,084.46 on the client's schedule, and
    ii. the sum of legal securities related, totaling $388,239.80 on the client's schedule noting no differences.
  e. Compared deduction from Item 2c (8) (other revenue not related either directly or indirectly to the securities business) of $22,577,039 to the trial balance, noting no differences.
  f. Compared deduction from Item 2c (9) (total interest and dividend expense) of $260,972 to the sum of trial balance account numbers 8440 and 8450 totaling $260,972 in the December 31, 2010 trial balance, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers obtained in procedure 3, as follows:
  a. Recalculated the mathematical accuracy of the total SIPC Net Operating Revenues on page 2, line 2d and recalculated the total of deduction, net of general assessment, on page 2, line 2e of $65,007,657 and $162,519 respectively of the Form SIPC-7, 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 the Company's preparation of Form SIPC-7 in accordance with the applicable instructions. 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 management and the board of managers of Leerink Swann LLC, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

February 23, 2011

SIPC-7

(31-REV 5/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

For the fiscal year ended December 31, 2010

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

SIPC-7

(31-REV 5/10)

WORKING COPY

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:

Leerink Swann LLC
One Federal St.
Boston, MA 02110
FINRA & SEC
SEC #: 8-48535

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.

Qi Yu Zhong 617-918-4517

2. A.	General Assessment [item 2e from page 2 (not less than $150 minimum)]		$ 162,519
B.	Less payment made with SIPC-6 filed (exclude interest) July 27, 2010 Date Paid		(83,718)
C.	Less prior overpayment applied		( )
D.	Assessment balance due or (overpayment)		78,801
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)		$ 78,801
G.	PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	$ 78,801	
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.

Leerink Swann LLC.
(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the_____ day of________________, 20____.

Chief Operating Officer
(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

Item No.	Amounts for the fiscal period beginning ________, 20__ and ending ________, 20__ Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	$ 89,247,243
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.	892,423
(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	892,423
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.	608,351
(2) Revenues from commodity transactions.	
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	1,256,322
(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).	429,325
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	22,577,039
(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. $ 260,972	
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). $ ________	
Enter the greater of line (i) or (ii)	260,972
Total deductions	25,132,009
2d. SIPC Net Operating Revenues	$ 65007,657
2e. General Assessment @ .0025	$ 162,519 (to page 1 but not less than $150 minimum)

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