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

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SEC Mail Processing Section  
**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

FEB 24 2011

SEC FILE NUMBER
8-48109

FACING PAGE **Washington, DC**  
**110**  
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 AND ENDING December 31, 2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Osprey Partners, LLC

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

50 Riverside Avenue

(No. and Street)

Westport  
(City)

CT

(State)

06897

(Zip Code)

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

Matt Rebold

203-226-7432

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Halpern & Associates, LLC

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

218 Danbury Road  
(Address)

Wilton  
(City)

CT

(State)

06897

(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)

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OSPREY PARTNERS, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2010



# **Halpern & Associates, LLC**

Certified Public Accountants and Consultants

218 Danbury Road • Wilton, CT 06897 • (203) 210-7364 • FAX (203) 210-7370 • Info@Halpernassoc.com

SEC Mail Processing  
Section

FEB 24 2011

INDEPENDENT AUDITORS' REPORT **Washington, DC**  
**110**

To the Members of  
Osprey Partners, LLC

We have audited the accompanying statement of financial condition of Osprey Partners, LLC, (the "Company") as of December 31, 2010. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Osprey Partners, LLC, as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

*Halpern & Associates, LLC*

Wilton, Connecticut  
February 17, 2011

OSPREY PARTNERS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2010

ASSETS

Cash and cash equivalents	\$ 298,975
Fees receivable	436,093
Other assets	<u>6,250</u>
 TOTAL ASSETS	 <u><u>\$ 741,318</u></u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES	
Accrued expenses and other liabilities	\$ 102,201
 MEMBERS' EQUITY	 <u>639,117</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 741,318</u></u>

The accompanying notes are an integral part of this statement.

# OSPREY PARTNERS, LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2010

### 1. NOTES ON SIGNIFICANT BUSINESS ACTIVITIES

Osprey Partners, LLC (the Company) was organized in the State of Connecticut in December 1994 and began doing business as a registered broker-dealer in securities with the Securities and Exchange Commission in December 1995. The Company was organized primarily to provide marketing services under written contracts with investment management organizations.

The Company's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker/dealer, clearing organization, fund manager, customer and/or other counterparty with which it conducts business.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Company maintains its books and records on an accrual basis in accordance with accounting principles generally accepted (GAAP) in the United States of America which requires management to make estimates and assumptions that affect reported amounts in the financial statements.

For purposes of the statement of cash flows, the Company considers money market funds to be cash equivalents.

The Company's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash with quality financial institutions. At times, cash balances may be in excess of balances insured by FDIC.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates by management. Actual results could differ from these estimates.

In accordance with GAAP, management implemented Statement of Financial Accounting Standards No. 157 ("ASC 820") (Valuation of Investments in Securities and Securities Sold Short at Fair Value – Definition and Hierarchy) and has determined that it bears no material effect on the financial statements as presented.

OSPREY PARTNERS, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

DECEMBER 31, 2010

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include \$293,684 invested in certificates of deposit.

4. REVENUE CONCENTRATION

The Company provides marketing services for investment management organizations. One customer generated a significant portion of the Fee Income reported in the Statement of Income in 2010.

The revenue concentration is summarized as follows:

Total Fee Income	\$547,985
Concentrated Revenue	304,652
Percentage of Total Fee Income	56%

5. RELATED PARTY

For the year ended December 31, 2010, the Company paid Osprey Management, LLC, a company owned by the members of the Company, a commission of \$52,371. As of December 31, 2010, there was no additional amount due from the Company to Osprey Management, LLC.

6. PENSION PLAN

The Company changed from a non-contributory money purchase pension plan to a defined benefit pension plan for all eligible employees.

Additionally, the Company added a 401(K) profit sharing plan covering substantially all qualified employees. Contributions to the plan are determined annually by the members of Company.

Contributions to these plans for the year ended December 31, 2010 were \$97,950.

## OSPREY PARTNERS, LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

DECEMBER 31, 2010

#### 7. INCOME TAXES

The Company is recognized as a Limited Liability Company (an "LLC") by the Internal Revenue Service. As an LLC, the Company is not subject to income taxes. The Company's income or loss is reportable by its members on their individual tax returns based on methodology prescribed in the Company's Operating Agreement.

FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the year ended December 31, 2010 management has determined that there are no material uncertain income tax positions.

#### 8. RULE 15C3-3

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(i) in that the Company carries no customer accounts.

#### 9. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Net Capital 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, 2010, the Company had net capital of \$293,452 which exceeded the minimum requirement of \$5,000 by \$288,452. The Company's ratio of aggregate indebtedness to net capital ratio was .01 to 1

#### 10. SUBSEQUENT EVENTS

Events have been evaluated through February 17, 2011, the date that these financial statements were available to be issued and no further information is required to be disclosed.