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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

Washington, DC

REPORT FOR THE PERIOD BEGINNING 1/1/10 AND ENDING 12/31/10 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Key West Investments, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 33 E. Valley Blvd. Suite 201

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street) Alhambra CA 91801 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Yvonne Yiu 626-377-9988 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Edward Richardson Jr., CPA

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

15565 Northland Dr. Suite 508 West Southfield, MI. 48075

(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)

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NA 3/22

OATH OR AFFIRMATION

I, Yvonne Yiu, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Key West Investments, LLC, as of December 31, 2010, 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:

N/A

Yvonne Yiu

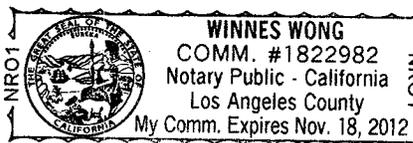
Signature

President

Title

Winnes Wong

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.

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

Edward Richardson Jr., CPA  
15565 Northland Dr W Ste 508  
Southfield, MI 48075  
248-559-4514

### Independent Auditor's Report

February 27, 2011

Board of Directors  
Key West Investments, LLC  
33 E. Valley Blvd Suite 201  
Alhambra, CA 91801

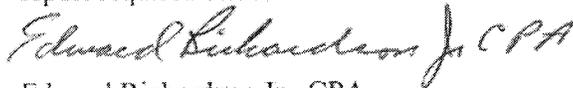
I have audited the accompanying balance sheet of Key West Investments, LLC, as of December 31, 2010, and the related statements of income, retained earnings, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Key West Investments, LLC as of December 31, 2010, and the results of its operations, retained earnings, changes in stockholders equity, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules of computation of net capital, computation of basic net capital requirement, computation of aggregate indebtedness, exemptive provisions under rule 15c3-3, statement of changes in liabilities subordinated to the claims of general creditors, and the reconciliation of the computation of net capital under rule 15c3-1, are presented for additional analysis and are not a required part of the basic financial statements, but are supplementary information required by rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects to the basic financial statements taken as a whole.

Further, there were no material differences in the net amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding Unaudited Part IIA of the Focus report required under Rule 15c3-1.

  
Edward Richardson Jr., CPA

**Key West Investments, LLC**  
**BALANCE SHEET**  
**As of December 31, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash In Bank \$ 51,215.76

**Total Current Assets** 51,215.76

**PROPERTY AND EQUIPMENT**

Equipment 7,377.73

**Net Property and Equipment** 7,377.73

**TOTAL ASSETS** \$ 58,593.49

The footnotes are an integral part of the financial statements.

**Key West Investments, LLC**  
**BALANCE SHEET**  
**As of December 31, 2010**

**LIABILITIES AND PARTNERS' EQUITY**

**CURRENT LIABILITIES**

Accrued Payroll \$ 7,830.52

**Total Current Liabilities** 7,830.52

**LONG-TERM LIABILITIES**

**Total Liabilities** 7,830.52

**PARTNERS' EQUITY**

Partners' Equity 50,762.97

**Total Partners' Equity** 50,762.97

**TOTAL LIABILITIES AND  
PARTNERS' EQUITY** \$ 58,593.49

The footnotes are an integral part of the financial statements.

**Key West Investments, LLC**  
**STATEMENT OF INCOME**

12 Months Ended  
December 31, 2010

<b>Revenues</b>	
Commissions Earned	\$ 6,418.36
<b>Total Revenues</b>	<u>6,418.36</u>
<b>Operating Expenses</b>	
Employee compensation and ben	105,486.58
Floor brokerage, exchange, and c	8,471.27
Occpancy	31,393.66
Other expenses	79,055.02
<b>Total Operating Expenses</b>	<u>224,406.53</u>
<b>Operating Income (Loss)</b>	<u>(217,988.17)</u>
<b>Net Income (Loss)</b>	<u>\$ (217,988.17)</u>

The footnotes are an integral part of the financial statements.

**Key West Investments, LLC**  
**STATEMENT OF PARTNERS' EQUITY**

	<b>12 Months Ended December 31, 2010</b>	
Beginning of Period	\$	0.00
Plus: Net Income	\$	(217,988.17)
Less: Dividends Paid		<u>0.00</u>
 <b>PARTNERS' EQUITY END OF PERIOD</b>	 <b>\$</b>	 <b><u>(217,988.17)</u></b>

The footnotes are an integral part of the financial statements.

**Key West Investments, LLC**  
**STATEMENT OF CASH FLOWS**  
For the 12 months Ended December 31, 2010

	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ (217,988.17)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Other	0.62
Increase (Decrease) in Operating Liabilities:	
Accrued Liabilities	<u>7,830.52</u>
Total Adjustments	<u>7,831.14</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>(210,157.03)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Capital Expenditures	(7,377.73)
Proceeds From Sale of Fixed Assets	<u>0.00</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(7,377.73)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Member Contributions	268,750.52
Treasury Stock	<u>0.00</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b><u>268,750.52</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>51,215.76</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b><u>0.00</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 51,215.76</u></b>

The footnotes are an integral part of the financial statements.

**KEY WEST INVESTMENTS, LLC**  
**Statement of Changes in Partner's Equity**  
**For the Year-Ended December 31, 2010**

	Beginning Balance	Contributions (Distributions)	Net Income(loss)	Total Ending Balance
Balance at January 1, 2010	\$ -	\$ -	\$ -	\$ -
Net Loss of the year ended December 31, 2010	-	-	(217,988.00)	(217,988.00)
Capital Transactions	-	<u>268,751</u>	-	<u>268,751.00</u>
Balance at December 31, 2010	<u>\$ -</u>	<u>\$ 268,751</u>	<u>(217,988.00)</u>	<u>\$ 50,763.00</u>

The footnotes are an integral part of the financial statements.

**KEY WEST INVESTMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Mariner Financial Group, Inc.(the Company) was formed as a California corporation on January 24, 1994. The Company has adopted a calendar year.

Description of Business

The Company, located in San Francisco, CA is a broker and dealer in securities registered with the Securities and Exchanges Commission (“SEC”) and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company’s customers are handled by a clearing broker-dealer.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company on the settlement date reported by the investment companies with which it does business.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company’s cash and cash equivalents are held at high credit quality financial institutions.

See accountant’s audit report

**KEY WEST INVESTMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company's cash and cash equivalents are held at high credit quality financial institutions.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at an amount that approximates fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of comprehensive income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2009, the Company did not have any components of comprehensive income to report.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates.

Concentrations

The company has revenue concentrations; the firm specializes in sales of annuities and securities.

**NOTE B – NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

There were no material inadequacies found to exist in the computation of the ratio of aggregate indebtedness to net capital at December 31, 2010, or in the procedures followed in making the periodic computation required. At December 31, 2010, the Company had net capital of \$43,385.00 and a net capital requirement of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.00 to 1 at December 31, 2010. The Securities and Exchange Commission permits a ratio of no greater to 15 to 1.

See accountant's audit report

**KEY WEST INVESTMENTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

**NOTE C – POSSESSION OR CONTROL REQUIREMENTS**

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c-3-3(k)(1), which provides that the firm will engage in limited business activities such as dealing in investment company shares. (ii) by promptly transmitting all customer funds to the clearing broker who carries the customer accounts.

**NOTE D – ACCRUED PAYROLL**

The amount represented the liability due for payroll liabilities.

**NOTE E – DEPRECIATION EXPENSE**

The company not record depreciation expense for the year.

**Supplementary Information**

**Supplementary**  
**Pursuant to rule 17a-5 of the**  
**Securities and Exchange Act of 1934**  
**As of and for the Year Ended December 31, 2010**

**Key West Investments, LLC**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2010**

**Computation of Net Capital**

Total Partners' Equity:		\$ 50,763.00
Nonallowable assets:		
Securities	0.00	
Property & Equipment	<u>7,378.00</u>	<u>(7,378.00)</u>
Other Charges		
Haircuts	0.00	
Undue Concentration	<u>0.00</u>	<u>(0.00)</u>
Net allowable capital		\$ 43,385.00

**Computation of Basic Net Capital Requirement**

Minimum net capital required as a percentage of aggregate indebtedness	\$ <u>522.33</u>
Minimum dollar net capital requirement of reporting broker or dealer	\$ <u>5,000.00</u>
Net capital requirement	\$ <u>5,000.00</u>
Excess net capital	\$ <u>38,585.00</u>

**Computation of Aggregate Indebtedness**

Total Aggregate Indebtedness	\$ <u>7,831.00</u>
Percentage of aggregate indebtedness to net capital	<u>17.97%</u>

**Reconciliation of the Computation of Net Capital Under Rule 15c3-1**

Computation of Net Capital reported on FOCUS IIA as of December 31, 2010	\$ 49,720.00
Adjustments:	
Change in Equity (Adjustments)	(6,335.00)
Change in Non-Allowable Assets	0.00
Change in Haircuts	0.00
Change in Undue Concentration	<u>0.00</u>
NCC per Audit	<u>43,385.00</u>
Reconciled Difference	\$ <u>(0.00)</u>

**Key West Investments, LLC**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2010**

**Exemptive Provisions Rule 15c3-3**

The Company is exempt from Rule 15c3-3 because all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The name of the clearing firm is Webb Bush.

**Statement of Changes in Liabilities Subordinated to the Claims of General Creditors**

Balance of such claims at January 1, 2010	\$ -
Additions	-
Reductions	-
Balance of such claims at December 31, 2010	<u>\$ -</u>

See accountant's audit report

**REPORT ON INTERNAL CONTROL**

**For the year ended December 31, 2010**

See accountant's audit report

Edward Richardson, Jr., CPA  
15565 Northland Suite 508 West  
Southfield, MI. 48075

February 27, 2010

Board of Directors  
Key West Investments, LLC  
33 E. Valley Blvd Suite 201  
Alhambra, CA 91801

In planning and performing my audit of the financial statements and supplemental schedules of Key West Investments, LLC for the year ended December 31, 2010, I considered its internal control, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the company, including tests of such practices and procedures that I considered relevant to the objective 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, I 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.
2. Recordation of differences required by rule 17a-13.
3. 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 the preceding paragraphs. 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 paragraphs 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 accordance with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection or 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. My consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted the following condition that I consider to be a material weakness as defined above.

Only one person is responsible for all accounting and reporting functions. Accordingly, there is no segregation of duties. Due to the size of the Company, management does not feel it is cost-effective to change this condition.

I understand that practices and procedures that accomplish the objectives referred to in the preceding paragraphs of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities and 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 my study, I 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 management, the SEC and the regulatory agencies that rely on rule 17a-5(g) under the Securities and 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.

  
Edward Richardson, Jr., CPA

SEC Mail Processing  
Section

MAR 01 2011

Washington, DC  
110

**Key West Investments, LLC**

**Financial Statements and Supplemental  
Schedules Required by the  
Securities and Exchange Commission**

**For the Year Ended December 31, 2010  
(With Independent Auditor's Report Thereon)  
and  
Supplemental Report on Internal Control**

*December 31, 2010*

**KEY INVESTMENTS, LLC**  
**December 31, 2010**

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