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FEB 25 2011

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

Mail Processing Section

FEB 25 2011

SEC FILE NUMBER

8-49792

Washington, DC

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: Camelot Investment Advisers, Ltd.

OFFICIAL USE ONLY
<u>42310</u>
FIRM I.D. NO.

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

995 Old Eagle School Rd. Suite 320

(No. and Street)

Wayne

PA

19087

(City)

(State)

(Zip Code)

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

Judy Eng

610-225-3062

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Siana Carr O'Connor & Lynam, LLP

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

1500 E Lancaster Ave

Paoli

PA

19301

(Address)

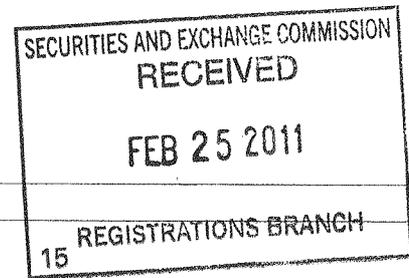
(City)

(State)

(Zip Code)

CHECK ONE:

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

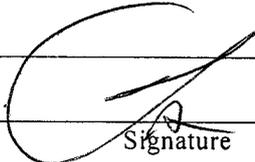


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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

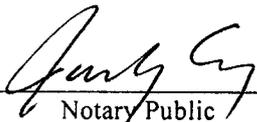
OATH OR AFFIRMATION

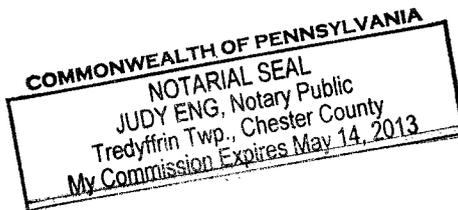
I, Thomas M. Rosato, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Camelot Investment Advisers, Ltd., as of December 31, 2010, are true and correct. I further swear (or affirm) that neither the company 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:

  
Signature

President

Title

  
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).

*Financial Report*

***CAMELOT INVESTMENT ADVISERS, LTD.***

*December 31, 2010 and 2009*

***SIANA CARR O'CONNOR & LYNAM, LLP***

**CERTIFIED PUBLIC ACCOUNTANTS**

**CAMELOT INVESTMENT ADVISERS, LTD.**

**Financial Statements and Supplementary Financial Information**

**December 31, 2010 and 2009**

**and**

**INDEPENDENT AUDITOR'S REPORT**

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# SIANA CARR O'CONNOR & LYNAM, LLP

Certified Public Accountants

1500 E. Lancaster Avenue  
Paoli, PA 19301

Phone: 610-296-4200 \* Fax: 610-296-3659  
www.scolcpa.com

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
Camelot Investment Advisers, Ltd.  
Wayne, Pennsylvania

We have audited the accompanying statements of financial condition of Camelot Investment Advisers, Ltd. (an S Corporation) as of December 31, 2010 and 2009, and the related statements of operations, changes in shareholders' equity, and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 Camelot Investment Advisers, Ltd. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 10 to 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits 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.

*Siana Carr O'Connor & Lynam, LLP*  
SIANA CARR O'CONNOR & LYNAM, LLP

February 17, 2011

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Statements of Financial Condition**  
**December 31, 2010 and 2009**

<b>Assets</b>	2010	2009
Cash	\$ 314,855	\$113,642
Due from clearing broker	528,630	681,269
Securities owned:		
Marketable, at market value	14,432	62
Related party receivable	15,014	10,036
Furniture, equipment, software and leasehold improvements (net of accumulated depreciation and amortization of \$51,656 and \$30,615, respectively)	24,413	36,368
Prepaid expenses and other assets	105,481	106,565
<b>Total assets</b>	<b>\$1,002,825</b>	<b>\$947,942</b>
<b>Liabilities and shareholders' equity</b>		
Liabilities:		
Commissions payable	\$ 37,881	\$ 23,434
Accounts payable and accrued expenses	121,655	111,995
Related party payable	-0-	226
Securities sold but not yet purchased, at fair value	30,451	-0-
<b>Total liabilities</b>	<b>189,987</b>	<b>135,655</b>
Shareholders' equity:		
Common stock (no par value, 1,000 shares authorized; 200 shares issued and outstanding)	125,000	125,000
Additional paid-in capital	675,000	675,000
Retained earnings	12,838	12,287
<b>Total shareholders' equity</b>	<b>812,838</b>	<b>812,287</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$1,002,825</b>	<b>\$947,942</b>

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

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Statements of Operations**  
**For the Years Ended December 31, 2010 and 2009**

	2010	2009
Revenues (losses):		
Commissions	\$ 626	\$ 1,155
Mark-ups/mark-downs	3,836,157	3,376,099
Brokerage fees	73,261	88,503
Principal trading	3,079	(8,356)
Other	185,297	163,991
<b>Total revenues</b>	<b>4,098,420</b>	<b>3,621,392</b>
Expenses:		
Clearance and exchange fees	417,004	403,202
Commissions	1,797,693	1,516,388
Employee compensation and benefits	1,559,528	1,426,215
Occupancy and equipment rental	194,503	185,691
Other operating expenses	128,867	99,933
Interest expense	274	68
<b>Total expenses</b>	<b>4,097,869</b>	<b>3,631,497</b>
<b>Net income (loss)</b>	<b>\$ 551</b>	<b>\$ (10,105)</b>

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

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Statements of Changes in Shareholders' Equity**  
**For the Years Ended December 31, 2010 and 2009**

	Common Stock		Additional	Retained	Total
	Shares	Amount	Paid-in Capital	Earnings	
Balance - December 31, 2008	200	\$125,000	\$675,000	\$ 22,392	822,392
Net loss				(10,105)	(10,105)
Balance - December 31, 2009	200	125,000	675,000	12,287	812,287
Net income				551	551
Balance - December 31, 2010	200	\$125,000	\$675,000	\$12,838	\$812,838

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

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2010 and 2009**

	2010	2009
Cash flows from operating activities:		
Net income (loss)	\$ 551	\$(10,105)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	21,041	20,279
(Increase) decrease in:		
Due from clearing broker	152,639	(71,144)
Securities owned	(14,370)	(62)
Related party receivable	(4,978)	(9,042)
Prepaid expenses and other assets	1,084	263
Increase (decrease) in:		
Commissions payable	14,447	18,301
Accounts payable and accrued expenses	9,660	22,348
Related party payable	(226)	226
Securities sold but not yet purchased	30,451	(165)
<b>Net cash provided (used) by operating activities</b>	<b>210,299</b>	<b>(29,101)</b>
Cash flows from investing activities:		
Purchase of furniture, equipment, software and leasehold improvements	(9,086)	(2,763)
<b>Net cash used by investing activities</b>	<b>(9,086)</b>	<b>(2,763)</b>
Net increase (decrease) in cash	201,213	(31,864)
Cash - beginning of year	113,642	145,506
Cash - end of year	\$314,855	\$113,642
Supplementary cash flow disclosure:		
Cash paid for interest	\$ 274	\$ 68

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

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**(1) ORGANIZATION AND BACKGROUND**

Camelot Investment Advisers, Ltd. (the Company), a Delaware corporation, is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company operates on a fully-disclosed basis whereby it does not carry accounts for customers.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Securities Transactions*

Securities transactions are recorded on the trade date, as if they had settled. Securities and commitments for securities sold but not yet purchased are recorded at fair value, with gains and losses reflected in income. Fair value is based on quoted market prices for traded securities.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statements of financial condition.

*Revenues and Expenses*

Commission and mark-up/mark-down revenue and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

*Depreciation*

Depreciation is provided on a straight-line basis using estimated useful lives of three to ten years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease. Depreciation and amortization expense was \$21,041 and \$20,279 in 2010 and 2009, respectively.

*Income Taxes*

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code of 1986 and comparable state tax provisions to be taxed as an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

*Management 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 reporting period. Actual results could differ from those estimates.

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

**(3) FAIR VALUE MEASUREMENT**

The Fair Value Measurements and Disclosures topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by the FASB Codification are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 and 2009:

	Level 1	Level 2	Level 3	Total
<b>2010</b>				
<b>Assets</b>				
Securities owned:				
Mutual funds	\$14,432	\$-0-	\$-0-	\$14,432
<b>Liabilities</b>				
Securities sold, not yet purchased:				
Mutual funds	30,451	-0-	-0-	30,451
<b>2009</b>				
<b>Assets</b>				
Securities owned:				
Mutual funds	\$ 62	\$-0-	\$-0-	\$ 62

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**(4) CONCENTRATIONS OF CREDIT RISK**

*Clearing Broker*

The Company engages in various activities with one clearing broker. In the event the clearing broker does not fulfill its obligations, the Company may be exposed to risk.

**(5) SECURITIES OWNED AND SOLD BUT NOT YET PURCHASED**

Securities sold but not yet purchased represent obligations of the Company to deliver specified securities at the contracted prices, thereby creating a liability to purchase the securities at prevailing market prices. These transactions result in off-balance-sheet risk as the Company's ultimate obligation to satisfy the sale of these securities may exceed the amount recognized in the statements of financial condition. The Company had \$30,451 and \$-0- of these securities as of December 31, 2010 and 2009, respectively.

**(6) RELATED PARTY TRANSACTIONS AND COMMON CONTROL**

The Company derives a significant portion of its revenues from clients who are related to the Company through common ownership and/or common control. Had the Company been operating autonomously, its financial position and results of operations could have been significantly different as of December 31, 2010 and 2009 and for the years then ended.

For the years ended December 31, 2010 and 2009, the Company derived approximately 100% of its commission and mark-up/mark-down revenue from related parties. For the years ended December 31, 2010 and 2009, the Company derived approximately 100% and 95% respectively, of its other revenue from related parties and had \$226 payable to one of the parties at December 31, 2009. At December 31, 2010, the Company had a \$8,673 receivable from two of the related parties and \$10,036 receivable at December 31, 2009 from one of the related parties. In addition, at December 31, 2010, the Company had \$6,341 of receivables due from the shareholders.

**(7) EMPLOYEE BENEFIT PLAN**

The Company sponsors a SIMPLE-IRA retirement plan which is offered to all employees. The Company matches employees' contributions, up to 3% of the employee's pay, subject to Internal Revenue Service limits. Company contributions to the plan were \$59,768 and \$55,211 for the years ended December 31, 2010 and 2009, respectively.

**(8) OPERATING LEASE**

The Company extended its operating lease for office space which expired July 31, 2008 for an additional five years, commencing on August 1, 2008. The monthly payments were \$3,796 from August 1, 2008 through July 31, 2009, \$4,292 from August 1, 2009 through July 31, 2010 and \$4,415 from August 1, 2010 through December 31, 2010. The Agreement includes an escalation clause and also obligates the Company for certain operating expenses.

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**(8) OPERATING LEASE (CONTINUED)**

Rental expense incurred in connection with this agreement was \$52,079 for the years ended December 31, 2010 and 2009.

The following is a schedule of future minimum rental payments required under the operating lease for the next three years and in the aggregate as of December 31, 2010:

2011	\$ 53,587
2012	55,059
2013	32,618
Total	<u>\$141,264</u>

**(9) NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital and a ratio of aggregate indebtedness to net capital, not exceeding 15 to 1. At December 31, 2010, the Company had net capital, as defined, of \$727,617 which was \$627,617 in excess of its minimum required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was .22 to 1 as of December 31, 2010.

The SEC customer protection rule (Rule 15c3-3) requires the maintenance of reserves for customer accounts and sets forth specific guidelines regarding the possession of securities. The Company is exempt from this rule under Reg. 240.15c3-3(k)(2)(ii) which provides an exemption for broker-dealers who operate on a fully-disclosed basis. Therefore, Schedules II and III on pages 11 and 12 are not applicable.

Under terms of the Company's agreement with its clearing broker, the Company has a net capital requirement of \$500,000.

**(10) SUBSEQUENT EVENT EVALUATION**

The Company has evaluated subsequent events through the issuance of the financial statements.

**SUPPLEMENTARY**

**FINANCIAL**

**INFORMATION**

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2010**

Net capital:	
Total shareholders' equity	\$812,838
Less - ownership equity not allowable for net capital	-0-
<b>Total shareholders' equity qualified for net capital</b>	<b>812,838</b>
Less - non-allowable assets:	
Receivables from non-customers	15,014
Furniture, equipment, software and leasehold improvements	24,413
Prepaid expenses and other assets	30,731
<b>Total non-allowable assets</b>	<b>70,158</b>
Net capital before haircuts on securities positions and money market mutual fund	742,680
Less - haircuts on securities positions and money market mutual fund	15,063
<b>Net capital</b>	<b>\$727,617</b>
Aggregate indebtedness:	
Accounts payable, accrued expenses, commissions payable and other	\$159,536
<b>Total aggregate indebtedness</b>	<b>\$159,536</b>
Computation of basic net capital requirement:	
Net capital requirement	\$100,000
Net capital	727,617
<b>Excess of net capital</b>	<b>\$627,617</b>
Net capital less greater of 10% of total aggregate indebtedness or 120% of minimum dollar net capital requirement	\$607,617
<b>Ratio of aggregate indebtedness to net capital</b>	<b>.22 to 1</b>

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Computation for Determination of Reserve Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2010**

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**Not Applicable: All customer transactions are cleared through  
another broker-dealer (member of New York Stock Exchange)  
on a fully disclosed basis.**

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Information Relating to Possession or Control Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2010**

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**Not Applicable: All customer transactions are cleared through  
another broker-dealer (member of New York Stock Exchange)  
on a fully disclosed basis.**

**CAMELOT INVESTMENT ADVISERS, LTD.**  
**Notes to Supplemental Schedules**  
**December 31, 2010**

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**Reconciliation of the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2010 FOCUS Part IIA filing.**

**Not Applicable: There are no differences between the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2010 FOCUS Part IIA filing.**

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*Independent Auditor's Report on  
Internal Control  
Required by SEC Rule 17a-5*

***CAMELOT INVESTMENT ADVISERS, LTD.  
Year Ended December 31, 2010***

***SIANA CARR O'CONNOR & LYNAM, LLP***

**CERTIFIED PUBLIC ACCOUNTANTS**

# **SIANA CARR O'CONNOR & LYNAM, LLP**

*Certified Public Accountants*

**1500 E. Lancaster Avenue  
Paoli, PA 19301**

**Phone: 610-296-4200 \* Fax: 610-296-3659  
www.scolcpa.com**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Directors of  
Camelot Investment Advisers, Ltd.  
Wayne, Pennsylvania

In planning and performing our audit of the financial statements of Camelot Investment Advisers, Ltd. (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 (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 (or aggregate debits) 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
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by rule 15c3-3

## SIANA CARR O'CONNOR & LYNAM, LLP

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.

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 deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

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, 2010, to meet the SEC's objectives.

***SIANA CARR O'CONNOR & LYNAM, LLP***

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

*Siana Carr O'Connor & Lynam, LLP*  
SIANA CARR O'CONNOR & LYNAM, LLP

February 17, 2011

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*Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
Related to an Entity's SIPC Assessment Reconciliation*

**CAMELOT INVESTMENT ADVISERS, LTD.**  
*Year Ended December 31, 2010*

***SIANA CARR O'CONNOR & LYNAM, LLP***

**CERTIFIED PUBLIC ACCOUNTANTS**

# **SIANA CARR O'CONNOR & LYNAM, LLP**

*Certified Public Accountants*

**1500 E. Lancaster Avenue  
Paoli, PA 19301**

**Phone: 610-296-4200 \* Fax: 610-296-3659  
www.scolcpa.com**

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## **INDEPENDENT ACCOUNTANT'S REPORT**

To the Directors of  
Camelot Investment Advisers, Ltd.  
Wayne, Pennsylvania

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by Camelot Investment Advisers, Ltd. (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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 in Form SIPC-7 with respective cash disbursements on the Company's bank statements and supporting check copies noting no differences;
2. Compared the amounts reported on the audited financial report, as reported in the FOCUS reports, for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2010, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with the supporting trial balance prepared by the Company noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the trial balance prepared by the Company supporting the adjustments noting no differences.

*SIANA CARR O'CONNOR & LYNAM, LLP*

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. 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 the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Siana Carr O'Connor & Lynam, LLP*  
SIANA CARR O'CONNOR & LYNAM, LLP

February 17, 2011

General Assessment Reconciliation

For the fiscal year ended \_\_\_\_\_, 20\_\_\_\_  
Read carefully the instructions in your Working Copy before completing this Form)

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:

049792 FINRA DEC  
CAMELOT INVESTMENT ADVISERS LTD 14\*14  
995 OLD EAGLE SCHOOL RD STE 320  
WAYNE PA 19087-1709

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.

2. A. General Assessment (item 2e from page 2)

\$ 9,252

B. Less payment made with SIPC-6 filed (exclude interest)

( 5300 )

7/23/10 5150 9/7/10 150  
Date Paid

C. Less prior overpayment applied

( )

D. Assessment balance due or (overpayment)

3952

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)

\$ \_\_\_\_\_

G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ \_\_\_\_\_

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.

Camelot Investment Advisers, LLC  
(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 14 day of February, 20 10

Exec. V.P.  
(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:

1

2e. General Assessment @ .0025

\$ 9,252  
(to page 1, line 2.A.)

2

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 1/1, 2010  
and ending 12/31, 2010  
Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 4,098,420

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.
- (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

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.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (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).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

397,534

(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.

\$ 274

(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)

Total deductions

274  
397,808  
3,700,612

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

\$ 9,252  
(to page 1, line 2.A.)