



04c
3/1/11

SECURIT 11017135 SSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number 3235-0123
Expires: February 28, 2011
Estimated average burden
hours per response . . . 12.00

SEC Mail Processing
Section

FEB 24 2011

Washington, DC
110

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

SEC FILE NUMBER
8-68293

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 AND ENDING DECEMBER 31, 2010
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DUNN & PARTNERS, LLC

OFFICIAL USE ONLY

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

FIRM ID. NO.
150769

225 FRANKLIN STREET, 26TH FLOOR
(No. and Street)

BOSTON MA 02110
(CITY) (state) (zip Code)

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

KEVIN DUNN

1-617-451-0001
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

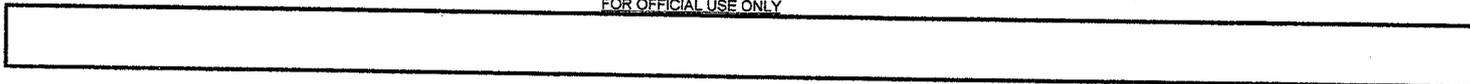
Karll, Harvey CPA, P.C.
(NAME- IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)

41 Middle Street Newburyport MA 01950-2755
(Address) (City) (State) (ZIP Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY



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

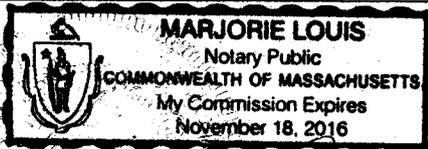
SEC 1410 (06-02)

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.

J.D.
3/2/2011

OATH OR AFFIRMATION

I, Kevin Dunn swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dunn & Partners, 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:



Kevin J. Dunn
Signature
Managing Partner
Title

Marjorie Louis
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).
- X (d) Statement of Changes in Financial Condition.
- X (e) Statement of Changes in Stockholders' Equity, or Partners' or Sole Proprietor's 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.
- X (i) Information Relating to the Possession or control Requirements under Rule 15c3-3.
- X (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.
- X (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 240.17d-5 (e)(3).



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

Report on Internal Control Required By SEC Rule 17a-5 for a Broker-Dealer claiming an exemption From SEC Rule 15c3-3

Board of Directors
Dunn & Partners, LLC
Boston, MA

In planning and performing my audit of the financial statements of Dunn & Partners, LLC for the period from inception, June 1, 2009, to year ended December 31, 2010, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the 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 objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debts) 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 and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

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

properly to permit 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 any internal control or the practices and procedures referred to above, errors 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.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above.

I 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 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 the Board of Directors, Management, 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.

Harvey E. Karll CPA, P.C.

Harvey E Karll CPA, P.C.

Newburyport, MA

February 14, 2011

Dunn & Partners, LLC
Audited Financial Statements
Inception to December 31, 2010

Contents

Index

*

	Page
Independent Auditors Report.....	1
Statement of Financial Condition.....	2
Statement of Income.....	3
Statement of Changes in Member's Equity.	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6-8
SUPPLEMENTARY INFORMATION:	
Schedule I: Computation of Net Capital Pursuant to SEC Rule 15c3-1.....	9
Schedule II: Exemptive Provision under Rule 15c3-3.....	10
Schedule III: Supplemental SIPC Report.....	11-14



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

INDEPENDENT AUDITORS REPORT

Dunn & Partners, LLC
Boston, MA

I have audited the accompanying statement of financial condition of Dunn & Partners, LLC, as of December 31, 2010, and the related statements of income, changes in member's equity, and cash flows for the period from inception, June 1, 2009 to December 31, 2010 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. 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 respects, the financial position of the Dunn & Partners, LLC as of December 31, 2010 and the results of its operations and cash flows from inception to December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III are 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 audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Harvey E. Karll CPA, P.C.

Harvey E. Karll CPA; P.C.
February 14, 2011

Dunn & Partners, LLC
Statement of Financial Condition
December 31, 2010

Assets

Cash & cash equivalents	\$ 96,214
Prepaid expenses	5,760
Deposits	4,000
Organization costs net of accumulated amortization of \$3,953	<u>9,222</u>
	<u>\$ 115,196</u> =====

Liabilities and Member's Equity

Liabilities:	
Accounts payable	\$ 23,455
Member's equity	<u>91,741</u>
	<u>\$ 115,196</u> =====

See Accountant's Report & Accompanying Notes

Dunn & Partners, LLC
Statement of Income
Inception to December 31, 2010

Revenues	
Fee income	\$ 636,972
Interest income	<u>1,077</u>
	638,049
Expenses:	
Guaranteed payments	506,007
Communications expense	23,979
Regulatory fees and expenses	36,216
Occupancy expenses	49,333
Other expenses	<u>170,773</u>
	<u>786,308</u>
Net Income (Loss)	(\$ 148,259) =====

See Accountant's Report and Accompanying Notes

Dunn & Partners, LLC
Statement of Changes in Members' Equity
Inception to December 31, 2010

Balance at inception	\$ 0
Net income (loss)	(148,259)
Member capital contributions	<u>240,000</u>
Balance at end of year	\$ 91,741 =====

See Accountant's Report and Accompanying Notes

Dunn & Partners, LLC
Statement of Cash Flows
Inception to December 31, 2010

		Year To Date
Cash Provided from Operations		
Net Income (Loss)	(\$ 148,259)	
Adjustments		
Add:		
Depreciation	3,953	
Accounts Payable	23,455	
Less:		
Prepaid Expenses	(5,760)	
Cash from Operations		(126,611)
Cash Flows - Invested		
Organization Costs	(13,175)	
Deposits	(4,000)	
Investing Cash Flows		(17,175)
Cash Flows - Financing		
Member Equity - Rush	60,000	
Member Equity - Dunn	180,000	
Financing Cash Flows		240,000
Cash Increase (Decrease)		96,214
Cash - Beginning of Year		
Total Beginning of Year		0
Cash on Statement Date		<u><u>\$ 96,214</u></u>

See Accountant's Report & Accompanying Notes

Dunn & Partners, LLC
Notes to Financial Statements
Inception to December 31, 2010

1. NATURE OF BUSINESS

Dunn & Partners, LLC (the Company) is a registered broker/dealer selling securities. It is a Massachusetts limited liability company organized on June 1, 2009. The Company is a member of the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA). The Company emphasizes mergers and acquisitions, consulting on mergers and acquisitions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2010 the company had nothing in excess of FDIC insured limits. The Company has not experienced any losses in such accounts.

Income Taxes

A limited liability company is treated as a partnership for both federal and state income tax purposes. Thus, federal and state income (loss) are passed through to the members of the company, and not taxed at the company level. Therefore, no provision or liability for federal or state income taxes are required in these financial statements.

Basis of Accounting

The Company uses the accrual method of accounting for financial accounting and the cash method for tax accounting purposes.

See Accountant's Report and Accompanying Notes

Dunn & Partners, LLC
Notes to Financial Statements
Inception to December 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Merger and acquisition fee revenue is recognized when the deal closes. Consulting fees are on accrual basis and retainers for consulting are non-refundable and recognized as income when received.

Amortization of Organization Costs

Organization costs are amortized using the straight-line method over five years. Amortization expense from inception, June 1, 2009 to December 31, 2010 was \$3,953.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

4. NET CAPITAL

As a broker/dealer, the company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital computed under 15c3-1 was \$72,759 at December 31, 2010, which exceed required net capital of \$5,000 by \$67,759. The ratio of aggregate indebtedness to net capital at December 31, 2010 was 0.32 to 1.0.

5. CASH FLOWS

Cash paid for interest is as follows:

Interest	\$	0
	=====	
Income Taxes	\$	0
	=====	

See Accountant's Report and Accompanying Notes

Dunn & Partners, LLC
Notes to Financial Statements
Inception to December 31, 2010

6. FAIR VALUE OF FINANCIAL STATEMENTS

The Company's financial statements are cash and cash equivalents and prepaid expenses. The recorded values of cash and cash equivalents and prepaid expenses approximate their fair values based on their short-term nature.

7. CONCENTRATIONS

From inception to the year ended December 31, 2010, five customers represented 100% of the Company's revenue.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2011, the date on which the financial statements were available to be issued.

9. LEASES

The Company entered into lease agreement on September 30, 2010. The office lease is for one (1) year starting January 1, 2011 and ending December 31, 2011; 2010 rent is \$2,060 per month. Rent expense from inception to December 31, 2010 was \$49,333.

As of December 31, 2010, the approximate future minimum lease payments under this operating lease are \$24,720 with minimum lease payments due in the next five years as follows:

2011	\$ 24,720
	=====

10. ADVERTISING

The company's policy is to expense the cost of advertising as it is incurred. Advertising from inception to the year ended December 31, 2010 is \$4,675.

See Accountant's Report and Accompanying Notes

SUPPLEMENTARY INFORMATION

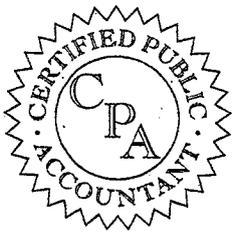
Dunn & Partners, LLC
Schedule I
Computation of Net Capital
December 31, 2010

Total Member's Equity	\$ 91,741
Less: Non Allowable Assets	(<u>18,982</u>)
Net Capital	72,759
Less: Capital Requirement	<u>5,000</u>
Excess Capital	\$ 67,759
Aggregate Indebtedness	=====
	\$ 23,455
	=====
Ratio of Aggregate Indebtedness To Net Capital	0.32 to 1.0

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

See Accountant's Report and Accompanying Notes

Dunn & Partners, LLC
Supplemental SIPC Report
December 31, 2010



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

Board of Directors
Dunn & Partners, LLC

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission, we have performed the following procedures with respect to the accompanying schedule (Form SIPC-7) of Securities Investor Protection Corporation assessments and payments of Dunn & Partners, LLC for the year ended December 31, 2010. Our procedures were performed solely to assist you in complying with Rule 17a-5(e)(4) and our report is not to be used for any other purpose. The procedures we performed are as follows:

- 1) Compared listed assessment payments with respective cash disbursement records entries;
- 2) Compared amounts included with the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010 with the amounts reported in the General Assessment Reconciliation (Form SIPC-7);
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting adjustments; and
- 5) Compared the amount of any overpayment applied with the Form SIPC-7 on which it was computed.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above. In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on Form SIPC-7 were not determined in accordance with applicable instructions and forms. This report relates only to the schedule referred to above and does not extend to any financial statements of Dunn & Partners, LLC taken as a whole.

Harvey E. Karll CPA, P.C.

Harvey E. Karll CPA, P.C.
February 14, 2011

SIPC-7

SECURITIES INVESTOR PROTECTION CORPORATION (33-REV 7/11)
805 15th St. N.W. Suite 800, Washington, D.C. 20005-2215
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)

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:

8-68293 FINRA DEC
DUNN & PARTNERS, LLC
225 FRANKLIN STREET, 26th FLOOR
BOSTON, MA 02110

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. Daniel Beaton 603-379-2478

Table with 2 columns: Description and Amount. Rows include: 2.A. General Assessment (990), B. Less payment made with SIPC-6 filed (150), C. Less prior year overpayment applied, D. Assessment balance due or (overpayment) (840), E. Interest computed on late payment, F. Total assessment balance and interest due, G. PAID WITH THIS FORM: Total (840), 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.

Dunn & Partners, LLC
(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 14th day of February, 20 11.

Managing Partner
(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.

Dates: Postmarked Calculations, Received, Reviewed Documentation, Forward Copy

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

Amounts for the fiscal period
beginning January 1, 2010
and ending December 31, 2010
Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$	637,457
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):		
<u>Payment per separation agreement</u>		(241,407)
(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.	\$	
(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$	
Enter the greater of line (i) or (ii)		
Total deductions		(241,407)
2d. SIPC Net Operating Revenues	\$	396,050
2e. General Assessment @ .0025	\$	990