



11018492

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

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

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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **BG Strategic Advisors, LLC**
ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)
50 Coconut Row, Suite 212
(No. and Street)

OFFICIAL USE ONLY

FIRM ID. NO.

Palm Beach
(City)

Florida
(State)

33480
(Zip Code)

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

Benjamin Gordon **(561) 932-1600**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

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

2401 NW Boca Raton Boulevard
(Address)

Boca Raton
(City)

Florida
(State)

33431
(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)

**Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.**

JD
3/18

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OATH OR AFFIRMATION

I, Benjamin Gordon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of **BG Strategic Advisors, 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:

[Handwritten Signature]

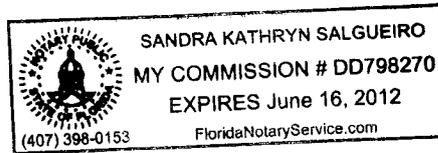
Signature

Managing Director

Title

[Handwritten Signature]

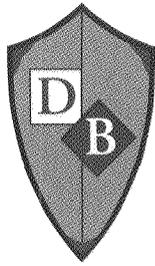
Notary Public



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 Proprietor's 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 SICP 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).



DaszkalBolton LLP

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Managing Member
BG Strategic Advisors, LLC
Palm Beach, Florida

We have audited the accompanying statement of financial condition of BG Strategic Advisors, LLC (the "Company") as of December 31, 2010, and the related statement of income and member's equity, and cash flows for the year 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 audit in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). 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 audit provides 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 BG Strategic Advisors, LLC as of December 31, 2010, and the results of its operations and its cash flows for the year then ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary information 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 audit 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.

DaszkalBolton LLP

Boca Raton, Florida
February 21, 2011

2401 NW Boca Raton Boulevard ♦ Boca Raton, Florida 33431-6632 ♦ t: 561.367.1040 ♦ f: 561.750.3236
4455 Military Trail, Suite 201 ♦ Jupiter, Florida 33458-4843 ♦ t: 561.622.8920 ♦ f: 561.624.1151
490 Sawgrass Corporate Parkway, Suite 200 ♦ Sunrise, Florida 33325-6254 ♦ t: 954.974.3544 ♦ f: 954.974.3680

BG STRATEGIC ADVISORS, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2010

ASSETS

Current assets	
Cash	\$ 2,044,048
Accounts receivable	71,741
Total current assets	<u>2,115,789</u>
Property and equipment, net	<u>18,148</u>
Due from affiliates	507,047
Deposits	11,500
Total assets	<u>\$ 2,652,484</u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities	
Accounts payable	80,739
Deferred revenue	202,963
Other current liabilities	30,823
Total current liabilities	<u>\$ 314,525</u>
Member's equity	<u>2,337,959</u>
Total liabilities and member's equity	<u>\$ 2,652,484</u>

See accompanying notes to financial statements.

BG STRATEGIC ADVISORS, LLC
STATEMENT OF INCOME AND MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues:	
Consulting income	\$ 257,716
Success fees	11,603,071
Other income	<u>235,617</u>
	<u>12,096,404</u>
Operating expenses:	
Conference and marketing	143,121
Insurance	5,627
Employee ancillary expenses	33,894
Professional fees	1,249,725
Rent and utilities	154,786
Travel and Entertainment	163,294
Salaries and wages	402,963
General and administrative	125,180
Bad debt expense	290,346
Other expenses	<u>2,142</u>
Total operating expenses	<u>2,571,078</u>
Operating income	<u>9,525,326</u>
Other income (expense)	
Tax exempt dividends	9,270
(Loss) on stock	(13,776)
Gain on sale of assets	175,500
Depreciation	<u>(85,152)</u>
Total other income	<u>85,842</u>
Net income	<u>9,611,168</u>
Member's equity, beginning of the year	476,791
Capital distributions	<u>(7,750,000)</u>
Member's equity, end of the year	<u>\$ 2,337,959</u>

See accompanying notes to financial statements.

BG STRATEGIC ADVISORS, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities:	
Net income	\$ 9,611,168
Adjustments to reconcile net income to net cash provided in operating activities:	
Depreciation expense	85,152
Gain on sale of assets	(175,500)
Provision for bad debts	203,032
(Increase) decrease in:	
Accounts receivable	137,214
Other assets	(485,070)
Increase in:	
Accounts payable	79,761
Deferred revenue	43,263
Other current liabilities	<u>19,289</u>
Net cash provided by operating activities	<u>9,518,309</u>
 Cash provided in investing activities:	
Proceeds from sale of assets	247,500
 Cash used in financing activities:	
Capital distribution	<u>(7,750,000)</u>
 Net increase in cash	2,015,809
Cash, beginning of year	<u>28,239</u>
Cash, end of year	<u>\$ 2,044,048</u>
 <u>Supplemental disclosure of cash flow information:</u>	
Interest paid	<u>\$ -</u>
Taxes paid	<u>\$ -</u>

See accompanying notes to financial statements.

BG STRATEGIC ADVISORS, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

BG Strategic Advisors, LLC (“the Company”) is a national securities broker-dealer, duly registered with the United States Securities and Exchange Commission (“SEC”), the Securities Investor Protection Corporation, Financial Industry Regulatory Authorities (“FINRA”) and the State of Florida’s Division of Banking and Finance. In January 2009, BG Strategic Advisors, Inc., the Company’s Managing Member, acquired Botsford Associates, LLC, a West Palm Beach - based investment bank and FINRA member, and combined its assets and operations with those of the Company.

The Company provides investment banking services to its clients. It helps companies to develop and implement growth strategies in the transportation, warehousing, logistics and supply chain sectors. The services of the Company include merger and acquisition advisory services, private placements, consolidations, and corporate spin-offs, joint ventures, and other financial transactions. As a fully disclosed broker-dealer, the Company does not hold customer funds or safekeep customer securities.

NOTE 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less when acquired to be cash equivalents.

Revenue Recognition

The Company generates income from services to provide general business strategy consulting, business valuations and corporate finance services. Contracts for these services have different terms based on the scope, deliverables and complexity of the engagement, which require management to make judgments and estimates in recognizing revenue. The Company is compensated on contracts principally through time and material arrangements, cost-reimbursable plus fee arrangements, and fixed price and contingent fee arrangements.

Revenue for general business consulting services is recognized as work is performed and amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services are delivered, fees are fixed or determinable and collectability is reasonably assured. For these types of arrangements, the Company recognizes revenue over the period of performance. Depending on the specific contractual provisions and nature of the deliverable, revenue may be recognized on a proportional performance model based on level of effort, as milestones are achieved or when final deliverables have been provided. Revenue arrangements entered into with the same client that are accounted for under Financial Accounting Standard Codification (“ASC”) 605-25 are accounted for on a combined basis when they are entered into at or near the same time, unless it is clearly evident that the contracts are not related to one another.

Billings in excess of revenue recognized for which payments have been received are recorded as deferred revenue until the applicable revenue recognition criteria have been met.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment

The Company's property and equipment are carried at cost and depreciated using the straight-line method over the estimated economic useful lives of the assets.

Date of Management Review

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through February 21, 2011 the financial statement issuance date.

New Pronouncements

In December 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-29, "Business Combinations (Topic 805), Disclosure of Supplementary Pro Forma Information for Business Combinations". The objective of this ASU is to address diversity in practice about the presentation of pro forma revenue and earnings disclosure requirements for business combinations, and specifies that a public entity that presents comparative financial statements should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This ASU is effective prospectively for business combinations on or after January 1, 2011. As this ASU is limited to supplemental disclosures, its adoption will not have an impact on the Company's financial condition or results of operations.

NOTE 3 – ACCOUNTS RECEIVABLE

The Company bills for its work using negotiated contracts. The Company provides for credit losses based on management's evaluation of collectability, based on current and historical performance of the customer. Accounts Receivable. Accounts receivable are presented net of an allowance for doubtful accounts.

NOTE 4 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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. The Company was in compliance with its net capital requirements at December 31, 2010.

BG STRATEGIC ADVISORS, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – PROPERTY & EQUIPMENT

Property and equipment consist of the following at December 31, 2010:

Office equipment	\$	26,979
Furniture and fixtures		1,711
Automobile		55,412
Property and equipment		84,102
Less: accumulated depreciation		65,954
Property and equipment, net	\$	18,148

Depreciation expense was \$85,152 for the year ended December 31, 2010.

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures the financial assets in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, or interest in open-end mutual funds that allow a company to sell its ownership interest back at net asset value (“NAV”) on a daily basis. Valuations are obtained from readily available pricing sources for market transactions involving identical assets, liabilities or funds.
- Level 2 – Valuations for assets and liabilities traded in less active dealer, or broker markets, such as quoted prices for similar assets or liabilities or quoted prices in markets that are not active. Level 2 includes U.S. Treasury, U.S. government and agency debt securities, and mortgage-backed securities. Valuations are usually obtained from third party pricing services for identical or comparable assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, such as option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The availability of observable inputs can vary from instrument to instrument and in certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an instrument’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement of an instrument requires judgment and consideration of factors specific to the instrument.

As of December 31, 2010, the Company’s cash equivalents include money market and tax exempt bonds. These securities are valued utilizing quoted market prices for identical instruments and are thus categorized in Level 1 of the fair value hierarchy.

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

The Company maintains a bank account at one financial institution. The account is a “proprietary account of an introducing broker/dealer (PAIB) held by a clearing broker/dealer.” The account balance is insured by the Federal Deposit Corporation (“FDIC”) up to \$250,000. Accounts held at brokerage firms are insured by the Securities Investor Protection Corporation (“SIPC”) up to \$500,000. At December 31, 2010, \$ 1,579,421 exceeded the FDIC and SIPC insured limits.

NOTE 8 – INCOME TAXES

As a limited liability company, the Company is treated as a partnership for Federal and State income tax purposes. Under subchapter K of the Internal Revenue Code, the Company’s member is taxed separately on the distributive share of the Company’s income whether or not that income is actually distributed. Accordingly, no provision for income taxes has been recorded in the accompanying statement of operations for the year ended December 31, 2010.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Company shares its office facilities, staff and office equipment with the Managing Member and its affiliates.

The Company is party to a license agreement with BGSA IP LLC, an entity owned by the Managing Member, for the right to use certain intellectual property at a rate of \$1,000 per annum.

In addition, the Company is party to a management agreement with Cambridge Capital, an entity owned by the Managing Member, for shared costs incurred by the Company. The \$25,000 monthly management fee is reflected as a reduction of salaries and wages in the statement of income and members’ equity.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

From time to time the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company’s financial condition, results of operations or liquidity in any future period.

SUPPLEMENTARY INFORMATION

BG STRATEGIC ADVISORS, LLC
SCHEDULE I - COMPUTATION AND RECONCILIATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2010

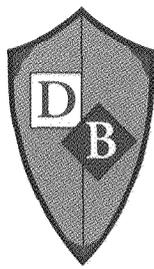
Net capital:	
Total member's equity	\$ 2,337,959
Deduction and/or charges:	
Non-allowable assets:	
Central Registry Depository (CRD) deposit	(347)
Customer receivables, net	(71,741)
Property and equipment, net	(18,148)
Deposits and other assets	(518,547)
Haircuts	<u>(40,874)</u>
Net capital	<u>1,688,302</u>
Required minimum net capital	<u>5,000</u>
Excess net capital	<u>1,683,302</u>
Aggregate indebtedness:	
Aggregate indebtedness as included in the Statement of Financial Condition	<u>-</u>
Ratio of aggregate indebtedness to net capital	<u>nm*</u>
* not meaningful	
Reconciliation:	
Reconciliation with Company's computation (included in Part II of Form X-17 A-5) as of December 31, 2010	
Net capital, as reported in Company's Part II, as amended	1,683,302
Audit adjustments	<u>-</u>
Net capital, per December 31, 2010 audited report, as filed	<u>\$ 1,683,302</u>

There are no material differences between the computation of net capital per the FOCUS report at December 31, 2010 as compared to the computation of net capital as shown above.

BG STRATEGIC ADVISORS, LLC
SCHEDULE II SUPPLEMENTARY INFORMATION PURSUANT TO
RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2010

BG Strategic Advisors, LLC is claiming exemption under the provisions of SEC rule 15c3-3(k)(2)(ii). Therefore, the following reports are not presented:

- A) Computation for Determination of Reserve Requirement under Rule 15c3-3.
- B) Information Relating to the Possession or Control Requirements under Rule 15c3-3.



DaszkalBolton LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

To the Managing Member
BG Strategic Advisors, LLC
Palm Beach, Florida

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 (Transitional Assessment Reconciliation (Form SIPC-7T)) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by BG Strategic Advisors, LLC (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 Transitional Assessment Reconciliation (Form SIPC-7T). The Company's management is responsible for the 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-7T with respective cash disbursement records entries, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7T for the year ended December 31, 2010, noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules, noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on 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.

DaszkalBolton LLP

Boca Raton, Florida
February 21, 2011

2401 NW Boca Raton Boulevard ♦ Boca Raton, Florida 33431-6632 ♦ t: 561.367.1040 ♦ f: 561.750.3236
4455 Military Trail, Suite 201 ♦ Jupiter, Florida 33458-4843 ♦ t: 561.622.8920 ♦ f: 561.624.1151
490 Sawgrass Corporate Parkway, Suite 200 ♦ Sunrise, Florida 33325-6254 ♦ t: 954.974.3544 ♦ f: 954.974.3680

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-871-8300

General Assessment Reconciliation

For the fiscal year ended DECEMBER 31, 2010
(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

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:

006677 FINRA DEC
BG STRATEGIC ADVISORS LLC 18*16
THE SIAT HOUSE 50 COCOANUT ROW
SUITE 212
PALM BEACH FL 33480

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:

REUBEN B. JOHNSON III 561.932.1616

- 2. A. General Assessment (item 2e from page 2) \$ 29,641
- B. Less payment made with SIPC-6 filed (exclude interest) (24,844)
JULY 28, 2010
Date Paid
- C. Less prior overpayment applied (_____)
- D. Assessment balance due or (overpayment) 4,797
- 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) \$ 4,797
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 4,797
- 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.

BG STRATEGIC ADVISORS LLC

(Name of Corporation, Partnership or other organization)

Reuben B. Johnson III

(Authorized Signature)

MANAGING DIRECTOR

(Title)

Dated the 14 day of FEBRUARY, 20 11

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations _____ Documentation _____ Forward Copy _____

Exceptions:

Disposition of exceptions:

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

Amounts for the fiscal period
beginning JAN 1, 201
and ending DEC 31, 201.
Eliminate cents

Item No.

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

\$ 12,249,361

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

0

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):

CONFERENCE REVENUES, SALE OF CAPITAL ASSET

393,079

(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.

\$ 0

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

0
393,079

2d. SIPC Net Operating Revenues

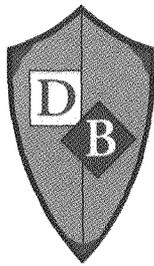
\$ 11,856,282

2e. General Assessment @ .0025

\$ 29,641

(to page 1, line 2.A.)

INTERNAL CONTROL



DaszkalBolton LLP

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

To the Managing Member
BG Strategic Advisors, LLC
Palm Beach, FL

In planning and performing our audit of the financial statements and supplemental schedules of BG Strategic Advisors, LLC (the "Company") for the year ended December 31, 2010, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our 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"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g)(1) 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 exceptive 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
- 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 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)(1) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or 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.

Our 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 error 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.

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**REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

Continued from previous page

However, we noted no matters involving internal control, including control activities for safeguarding securities, which we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2010 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC and other regulatory agencies that rely on rule 17a-5(g)(1) 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.

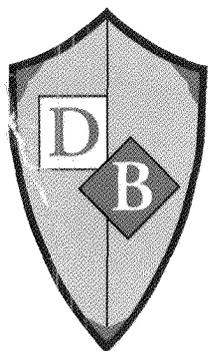
Wagtail Capital LLP

Boca Raton, Florida
February 21, 2011

BG STRATEGIC ADVISORS, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2010



Daszkal Bolton LLP

CERTIFIED PUBLIC ACCOUNTANTS