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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: April 30, 2013  
Estimated average burden  
hours per response..... 12.00

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

SEC  
Mail Processing  
Section

SEC FILE NUMBER  
8-48050

FEB 21 2012

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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2011 AND ENDING 12/31/2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: KILEY PARTNERS, INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
13241 OAKMEADE

PALM BEACH GARDENS FL 33418  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
MICHAEL KILEY 561-630-3200  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
RUBIO CPA, PC

900 CIRCLE 75 PARKWAY, SUITE 1100 ATLANTA GA 30339  
(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)

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OATH OR AFFIRMATION

I, MICHAEL KILEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KILEY PARTNERS, INC. of DECEMBER 31, 2011, 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:

NOTARY PUBLIC-STATE OF FLORIDA
Mary Ellen Doherty
Commission # DD849291
Expires: JAN. 05, 2013
BONDED THRU ATLANTIC BONDING CO., INC.

Signature of Michael Kiley
CEO
Title

Signature of Mary Ellen Doherty
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).

**KILEY PARTNERS, INC.**  
**Financial Statements**  
**For the Year Ended**  
**December 31, 2011**  
**With**  
**Independent Auditor's Report**

**INDEPENDENT AUDITOR'S REPORT**

To the Stockholder  
Kiley Partners, Inc.

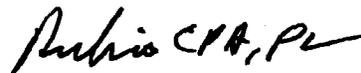
We have audited the accompanying statement of financial condition of Kiley Partners, Inc., as of December 31, 2011 and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities and Exchange 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 Kiley Partners, Inc., as of December 31, 2011 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Schedules I, II and III 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 of the Securities and Exchange Commission. 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.

February 15, 2012  
Atlanta, Georgia



RUBIO CPA, PC

**KILEY PARTNERS, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2011**

**ASSETS**

	<u>2011</u>
Cash and cash equivalents	\$ 92,223
Accounts receivable – clearing broker	189,056
Property and equipment, net of accumulated depreciation of \$22,613	8,553
Deposit with clearing broker	700,000
Securities owned, at estimated fair value	1,867,173
Other assets	<u>7,136</u>
 Total Assets	 <u>\$ 2,864,141</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**LIABILITIES**

Accounts payable	\$ 12,348
Accrued commissions and payroll	45,693
Due to clearing broker	<u>1,843,413</u>
 Total Liabilities	 <u>1,901,454</u>

**STOCKHOLDER'S EQUITY**

Common stock, no par value, 2,000 shares authorized, 100 shares issued and outstanding	-
Retained earnings	<u>962,687</u>
 Total Liabilities and Stockholder's Equity	 <u>\$ 2,864,141</u>

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

**KILEY PARTNERS, INC.**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2011**

	<u>2011</u>
<b>REVENUES</b>	
Commissions	\$ 1,614,328
Other	4,660
Trading	247,600
Interest and dividends	<u>93,433</u>
Total revenues	<u>1,960,021</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	
Employee compensation and benefits	977,757
Clearing costs	56,487
Communications	25,787
Occupancy	26,429
Interest expense	46,392
Other operating expenses	<u>359,227</u>
Total expenses	<u>1,492,079</u>
<b>NET INCOME</b>	<u>\$ 467,942</u>

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

**KILEY PARTNERS, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2011**

	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	\$ 467,942
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	2,141
Gain on disposal of property and equipment	(4,548)
Decrease in accounts receivable - clearing broker	50,733
Decrease in accounts receivable - other	1,324
Decrease in other assets	9,252
Decrease in accounts payable and accrued expenses	(59,079)
Increase in securities owned	(1,598,136)
Increase in due to clearing broker	<u>1,572,091</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>441,720</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of office equipment	(9,632)
Increase in deposit with clearing broker	(371,990)
Proceeds from sale of property and equipment	<u>4,548</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(377,074)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Distributions to stockholder	<u>(70,000)</u>
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<u>(70,000)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5,354)
<b>CASH AND CASH EQUIVALENTS BALANCE:</b>	
Beginning of year	<u>97,577</u>
End of year	<u>\$ 92,223</u>
<b>SUPPLEMENTAL CASH FLOWS DISCLOSURES:</b>	
Interest paid	<u>\$ 46,392</u>

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

**KILEY PARTNERS, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**For the Year Ended December 31, 2011**

Balance, December 31, 2010	\$ 564,745
Net income	467,942
Distributions to stockholder	<u>(70,000)</u>
Balance, December 31, 2011	<u>\$ 962,687</u>

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

**KILEY PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Description of Business: The Company is a registered broker dealer that began business in 1994. The Company is registered with the Securities and Exchange Commission, the Financial Industry Regulatory Authority and the securities commissions of appropriate states.

The Company's business is retail brokerage of marketable securities for customers located throughout the United States. The Company operates from offices located in Palm Beach County, Florida.

Cash and Cash Equivalents: The Company considers all cash and money market instruments with a maturity of ninety days or less to be cash and cash equivalents.

The Company maintains its demand deposits in a high credit quality financial institution. Balances at times may exceed federally insured limits.

Property and Equipment: Property and equipment are recorded at cost. Depreciation is provided by use of straight-line methods over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Income Taxes: The Company has elected to be taxed as an S corporation whereby the income or losses of the Company flow through to its stockholder and no income taxes are recorded in the accompanying financial statements.

Under the provisions of FASB Accounting Standards Codification 740-10, Accounting for Uncertainty in Income Taxes the Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status, including its status as a pass-through entity, and the decision not to file a return. The Company has evaluated each of its tax positions and has determined that no provision or liability for income taxes is necessary.

The Company, which files income tax returns in the U.S. federal jurisdiction and various state jurisdictions, is no longer subject to U.S. federal income tax examination by tax authorities for years before 2008.

**KILEY PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Securities Transactions: Customer's securities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Date of Management's Review: Subsequent events were evaluated through February 15, 2012 which is the date the financial statements were available to be issued.

NOTE B — NET CAPITAL

The Company, as a registered broker dealer 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. At December 31, 2011, the Company had net capital of \$808,696, which was \$708,696 in excess of its required net capital of \$100,000 and its ratio of aggregate indebtedness to net capital was .07 to 1.0.

NOTE C — RETIREMENT PLAN

The Company has a simplified employee pension plan covering substantially all full-time employees. The Company's contributions are discretionary. There were no Company contributions for 2011.

NOTE D — RELATED PARTY TRANSACTIONS

The Company's administrative operations were partially conducted out of premises provided by its stockholder in exchange for payments of certain occupancy costs of its stockholder. Expense under the arrangement was approximately \$18,000 for 2011.

The above amounts and terms are not necessarily indicative of the amounts and terms that would have been incurred had comparable transactions been entered into with independent parties.

**KILEY PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE E — LEASES**

The Company leases office premises under a month-to-month operating lease. Rent expense under the office premises lease for 2011 was approximately \$7,600.

**NOTE F – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET CREDIT RISK**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of individuals and other entities. The Company's transactions are collateralized and are executed with and on behalf of its customers, including other brokers and dealers and other financial institutions.

The Company introduces all customer transactions in securities traded on U.S. securities markets to another firm on a fully disclosed basis. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to non-performance by customers or counter parties. The Company monitors clearance and settlement of all customer transactions on a daily basis.

The Company's exposure to credit risk associated with the non-performance of customers and counter parties in fulfilling their contractual obligations pursuant to these securities transactions can be directly impacted by volatile trading markets which may impair the customer's or counter party's ability to satisfy their obligations to the Company. In the event of non-performance the Company may be required to purchase or sell financial instruments at unfavorable market prices resulting in a loss to the Company. The Company does not anticipate non-performance by customers and counter parties in the above situations.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet-risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

**NOTE G – FAIR VALUE**

FASB ASC 820 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.

**KILEY PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE G – FAIR VALUE (CONTINUED)**

Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, 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 following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value as of December 31, 2011.

	Fair Value Measurements December 31, <u>2011</u>	<u>Level 1 Valuation</u>	<u>Level 2 Valuation</u>	<u>Level 3 Valuation</u>
<b>Assets:</b>				
<b>Securities owned:</b>				
Municipal bonds	\$ 1,784,313	\$ 1,784,313	\$ -	\$ -
Corporate bonds	<u>\$ 82,860</u>	<u>\$ 82,860</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 1,867,173</u>	<u>\$ 1,867,173</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to clearing broker- margin indebtedness	\$ 1,843,413	\$ 1,843,413	\$ -	\$ -
	<u>\$ 1,843,413</u>	<u>\$ 1,843,413</u>	<u>\$ -</u>	<u>\$ -</u>

**KILEY PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE G – FAIR VALUE (CONTINUED)**

Fair value of investments securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges when available. If quoted prices are not available, fair value is determined using matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities.

**NOTE H – SECURITIES AVAILABLE FOR SALE**

Securities available for sale at December 31, 2011 consist of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Assets:				
Municipal bonds	\$ 1,759,643	\$ 24,760	\$ (90)	\$1,784,313
Corporate bonds	<u>83,770</u>	<u>263</u>	<u>(1,173)</u>	<u>82,860</u>
	<u>\$ 1,843,413</u>	<u>\$ 25,023</u>	<u>\$ (1,263)</u>	<u>\$1,867,173</u>

The municipal bond maturities range from 1 to 29 years.

There were no securities impaired at December 31, 2011.

**NOTE I – RECEIVABLE FROM AND PAYABLE TO CLEARING BROKER**

The Company clears certain of its proprietary and customer transactions through another broker-dealer ("clearing broker") on a fully disclosed basis.

The amount payable to the clearing broker relates to margin indebtedness and is collateralized by securities owned by the Company.

The receivable from the clearing broker arises from the clearing arrangement.

The deposit is refundable if, and when, the Company ceases doing business with the clearing broker.

**SUPPLEMENTAL INFORMATION**

**SCHEDULE I  
KILEY PARTNERS, INC.**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION ACT OF 1934  
AS OF DECEMBER 31, 2011**

NET CAPITAL:

Total stockholder's equity	<u>\$ 962,687</u>
Less nonallowable assets:	
Property and equipment	(8,553)
Other assets	<u>(7,136)</u>
Net capital before haircuts	946,998
Less haircuts	<u>(138,302)</u>
Net capital	808,696
Minimum net capital required	<u>100,000</u>
Excess net capital	<u>\$ 708,696</u>
Aggregate indebtedness (liabilities less margin indebtedness)	<u>\$ 58,041</u>
Net capital based on aggregate indebtedness	<u>\$ 3,869</u>
Ratio of aggregate indebtedness to net capital	<u>.07 to 1.0</u>

RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL INCLUDED  
IN PART IIA OF FORM X-17A-5 AS OF DECEMBER 31, 2011

There is no significant difference between net capital in the FOCUS report as of December 31, 2011 and net capital reported above.

**KILEY PARTNERS, INC.**

**SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2011**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

**SCHEDULE III  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2011**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

# RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway  
Suite 1100  
Atlanta, GA 30339  
Office: 770 690-8995  
Fax: 770 980-1077

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY RULE 17a-5

To the Stockholder  
Kiley Partners, Inc.

In planning and performing our audit of the financial statements of Kiley Partners, Inc., for the year ended December 31, 2011, we considered its internal control structure, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by Kiley Partners, Inc., that we considered relevant to the objective stated in Rule 17a-5(g). We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedure for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company related to the following: (1) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (2) in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 commission's above-mentioned objectives. Two of the objectives of an internal control structure 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 structure or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure 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 Commission 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, 2011 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and should not be used for any other purpose.

February 15, 2012  
Atlanta, Georgia



RUBIO CPA, PC

# RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway  
Suite 1100  
Atlanta, GA 30339  
Office: 770 690-8995  
Fax: 770 980-1077

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

To the Stockholder of Kiley Partners, Inc.

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 General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by Kiley Partners, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Kiley Partners, Inc. compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Kiley Partners, Inc.'s management is responsible for Kiley Partners, Inc.'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 disbursement records entries noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2011 with the amounts reported in the Form SIPC-7 for the year ended December 31, 2011 noting no differences;
3. Compared adjustments reported in the Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in the Form SIPC-7 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.

February 15, 2012

A handwritten signature in black ink, appearing to read "Rubio CPA, PC". The signature is written in a cursive, flowing style.

RUBIO CPA, PC

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended DECEMBER 31, 2011  
(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

**WORKING COPY**

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:

048050  
KILEY PARTNERS, INC.  
13241 OAKMEADE  
PALM BEACH GARDENS, FL 33418

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.

RICK ALVAREZ (770) 263-7300

2. A. General Assessment (item 2e from page 2)	\$	4,631
B. Less payment made with SIPC-6 filed (exclude interest)	(	2,395)
<u>08/03/2011</u>		
Date Paid		
C. Less prior overpayment applied	(	)
D. Assessment balance due or (overpayment)		2,236
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)	\$	2,236
G. PAID WITH THIS FORM:		
Check enclosed, payable to SIPC		
Total (must be same as F above)	\$	2,236
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.

KILEY PARTNERS, INC

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

CEO

(Title)

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

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, 2011  
and ending DEC 31, 2011  
Eliminate cents

Item No.		
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)		\$ <u>1,960 020</u>
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.		<u>56,487</u>
(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>revenue from sale of fixed asset</u>		<u>4,548</u>
(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.	\$ <u>46,392</u>	
(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)		<u>46,392</u>
Total deductions		<u>107,427</u>
2d. SIPC Net Operating Revenues		\$ <u>1,852,593</u>
2e. General Assessment @ .0025		\$ <u>4,631</u>

(to page 1, line 2.A.)