

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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

MS  
3/19

SEC FILE NUMBER  
8/11/11 68549 ✓  
Mail Processing Section

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

FEB 24 2012  
Washington, DC  
123 ✓

REPORT FOR THE PERIOD BEGINNING 11/03/10 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER:

SDDCO BROKERAGE ADVISORS, LLC ✓

OFFICIAL USE ONLY  
FIRM ID. NO.

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

485 MADISON AVENUE, 2<sup>nd</sup> FL

(No. And Street)

NEW YORK  
(City)

NY  
(State)

10022  
(Zip Code)

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

BRYON H. LYONS ✓

(212) 751-4424  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor  
(Address)

NEW YORK  
(City)

NY  
(State)

10018  
(Zip Code)

CHECK ONE:

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

PUBLIC

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 basis for the exemption. See section 240.17a-5(e)(2)

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915  
3/12/12

SDDCO BROKERAGE ADVISORS LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2011

**FULVIO & ASSOCIATES, L.L.P.**

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*Certified Public Accountants*

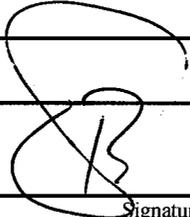
SDDCO BROKERAGE ADVISORS LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2011

**PUBLIC**

OATH OR AFFIRMATION

I, BRYON H. LYONS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SDDCO BROKERAGE ADVISORS, LLC, as 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature

CEO & MANAGING MEMBER

Title



Notary Public

CLAUDIA TAYLOR  
NOTARY PUBLIC, State of New York  
No. 01TA5068172  
Qualified in Kings County  
Commission Expires 10/28/2014

This report \*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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 or 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 previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

*Certified Public Accountants*

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FAX: 212-986-3679  
www.fulviollp.com

Connecticut Office:  
95B Rowayton Avenue  
Rowayton, CT 06853  
TEL: 203-857-4400  
FAX: 203-857-0280

INDEPENDENT AUDITORS' REPORT

To the Members of  
SDDCO Brokerage Advisors LLC:

We have audited the accompanying statement of financial condition of SDDCO Brokerage Advisors LLC (the "Company"), as of December 31, 2011 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of SDDCO Brokerage Advisors LLC as of December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
February 18, 2012

SDDCO BROKERAGE ADVISORS LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2011

ASSETS

Cash and cash equivalents	\$ 63,273
Due from broker	24,647
Accounts receivable	25,467
Prepaid expenses	<u>1,570</u>
 TOTAL ASSETS	 <u>\$ 114,957</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:

Accounts payable and accrued expenses	\$ <u>27,067</u>
 Total liabilities	 <u>27,067</u>

Members' equity:

Total members' equity	<u>87,890</u>
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TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 114,957</u>
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The accompanying notes are an integral part of this financial statement.

SDDCO BROKERAGE ADVISORS LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2011

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

SDDCO Brokerage Advisors LLC (the "Company") was formed in the State of New York in December, 2009. The Company registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") on November 3, 2010. The Company is authorized to conduct an online brokerage business in conjunction with its clearing agent that includes the following business lines: retailing corporate debt and equity securities, both over-the-counter and through an exchange member; mutual funds; U.S. Government securities; and the Private Placement of securities. The Company may conduct Investment Advisory Services and the distribution of Third-Party Research. The Company is also authorized to provide general advisory and compliance services to other broker dealers, investment advisors, corporate clients, and hedge funds. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and claims exemption from SEC Rule 15c3-3 pursuant to paragraph (k)(2)(ii).

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue Recognition

Revenue is recognized in the period the fees are earned.

Estimates

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

Taxes

No provision for federal and state income taxes has been made for the Company since, as a limited liability company, the Company is not subject to income taxes. The Company's income or loss is reportable by its members on their tax returns. The Company has determined that there are no uncertain tax positions which require adjustment or disclosure on the financial statements. The tax years that remain subject to examination by taxing authorities are 2009 and 2010. The Company is subject to New York City Unincorporated Business Tax.

SDDCO BROKERAGE ADVISORS LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2011  
(continued)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures bears no material effect on the financial statements as presented.

NOTE 2 - NET CAPITAL REQUIREMENT

As a broker-dealer, the Company is subject to the SEC Uniform Net Capital 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's net capital was \$60,853, which was \$55,853 in excess of its required net capital of \$5,000.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company has an agreement with S. D. Daniels & Company P.C. ("SDDCO"), a related entity, whereby SDDCO provides certain administrative services and the use of certain office space in connection with the Company's operations. In exchange for these services and office space, the Company is billed a representative allocation of direct expenses based on square footage, human resources and other related factors. For the period from November 3, 2010 (commencement of operations) to December 31, 2011, expenses allocated to the Company by SDDCO were \$49,500 and are included in the accompanying statement of operations. At December 31, 2011, the Company owed SDDCO \$12,399 which is included in accounts payable and accrued expenses in the accompanying statement of operations.

NOTE 4 - SIGNIFICANT GROUP CONCENTRATION OF RISK

For the period from November 3, 2010 (commencement of operations) through December 31, 2011, the Company did not enter into financial transactions where the risk of potential loss due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker-dealer, clearing organization, customer and/or other counterparty with which it conducts business.

NOTE 5 - SUBSEQUENT EVENTS

Subsequent events have been evaluated and no events have been identified which require disclosure.