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

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

*KW 3/4*

*SEC Filing Section*  
*FEB 28 2012*

SEC FILE NUMBER
<del>8-67227</del>

*8-66227*

**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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Summit Capital Partners, LLC ✓

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

2701 S. Minnesota Ave., Suite 6

(No. and Street)

Sioux Falls

(City)

South Dakota

(State)

57105

(Zip Code)

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

Chris Eng

605-361-9566

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Eide Bailly LLP

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

800 Nicollet Mall, Suite 1300 Minneapolis

(Address)

(City)

MN

(State)

55402-7033

(Zip Code)

CHECK ONE:

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

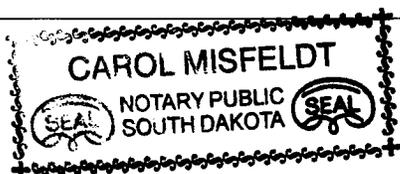
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

*AB*  
*3/15*

OATH OR AFFIRMATION

I, Chris Eng, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Summit Capital Partners, LLC, as of December 31, 20 11, 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:



Chris Eng  
Signature  
Secretary  
Title

Carol Misfeldt  
Notary Public

*My Comm expires: 1/23/2018*  
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).

The logo for Eide Bailly features the company name in a serif font, with a stylized graphic of three arrows pointing right, curved above the text.

EideBailly®



Financial Statements  
December 31, 2011 and 2010

# Summit Capital Partners, LLC

**SUMMIT CAPITAL PARTNERS, LLC**

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CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

Board of Manager  
Summit Capital Partners, LLC  
Sioux Falls, South Dakota

We have audited the accompanying statements of financial condition of Summit Capital Partners, LLC, as of December 31, 2011 and 2010, and the related statements of operations, changes in members' equity, and cash flows for the years then ended that are filed 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 audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summit Capital Partners, LLC, as of December 31, 2011 and 2010, 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.

*Eide Bailly LLP*

Minneapolis, Minnesota  
February 21, 2012

**SUMMIT CAPITAL PARTNERS, LLC**  
**Statements of Financial Condition**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 21,224	\$ 33,401
Receivables	-	-
Prepays	<u>3,785</u>	<u>4,013</u>
Total Current Assets	<u>25,009</u>	<u>37,414</u>
	<u><u>\$ 25,009</u></u>	<u><u>\$ 37,414</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Payables	<u>\$ 1,700</u>	<u>\$ 1,500</u>
Total Current Liabilities	<u>1,700</u>	<u>1,500</u>
<b>MEMBER'S EQUITY</b>		
Member's Capital Contributed	10,000	-
Retained Earnings	<u>13,309</u>	<u>35,914</u>
Total Member's Equity	<u>23,309</u>	<u>35,914</u>
	<u><u>\$ 25,009</u></u>	<u><u>\$ 37,414</u></u>

**SUMMIT CAPITAL PARTNERS, LLC**  
**Statements of Operations**  
**For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>		
Commissions	\$ -	\$ -
Interest Income/Other Income	-	-
	<hr/>	<hr/>
Total revenue	-	-
<b>EXPENSES</b>		
Commissions	-	-
Supplies	7	167
Business Travel	-	-
Overhead Expense	7,000	12,000
Misc Operating Expense	940	1,460
Legal & Accounting	14,658	33,196
	<hr/>	<hr/>
Total expenses	22,605	46,823
<b>NET INCOME</b>	<u>\$ (22,605)</u>	<u>\$ (46,823)</u>

**SUMMIT CAPITAL PARTNERS, LLC**  
**Statements of Changes in Member's Equity**  
**For the Years Ended December 31, 2011 and 2010**

	<u>Capital Contributions</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>BALANCE, JANUARY 1, 2010</b>	\$ -	\$ 82,737	\$ 82,737
Net loss for the year	<u>-</u>	<u>(46,823)</u>	<u>(46,823)</u>
<b>BALANCE, DECEMBER 31, 2010</b>	<u>-</u>	<u>35,914</u>	<u>35,914</u>
Net loss for the year	-	(22,605)	(22,605)
Contributions	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>BALANCE, DECEMBER 31, 2011</b>	<u>\$ 10,000</u>	<u>\$ 13,309</u>	<u>\$ 23,309</u>

**SUMMIT CAPITAL PARTNERS, LLC**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating Activities</b>		
Net Loss	\$ (22,605)	\$ (46,823)
<i>Add (deduct) non-cash items</i>		
Decrease (Increase) in Accounts Receivable	-	-
Decrease (Increase) in Prepaids	228	15,040
(Decrease) Increase in Payables	200	187
<b>Net Cash Provided by (used in) Operating Activities</b>	<u>(22,177)</u>	<u>(31,596)</u>
<b>Investing Activities</b>		
<b>Net Cash Provided by (used in) Investing Activities</b>	<u>-</u>	<u>-</u>
<b>Financing Activities</b>		
Proceeds from Equity Contributions	10,000	-
Distributions to Members	-	-
<b>Net Cash Provided by (used in) Financing Activities</b>	<u>10,000</u>	<u>-</u>
<b>Net Change in Cash and Equivalents</b>	<b>(12,177)</b>	<b>(31,596)</b>
Cash and Equivalents, beginning of year	33,401	64,997
<b>Cash and Equivalents, end of year</b>	<b><u>\$ 21,224</u></b>	<b><u>\$ 33,401</u></b>

**SUMMIT CAPITAL PARTNERS, LLC**  
**Notes to Financial Statements**  
**December 31, 2011 and 2010**

**Note 1 - Principal Activity and Significant Accounting Policies**

*Nature of Business*

Summit Real Estate Investments, LLC (Company) was formed October 20, 2003 as a South Dakota Company operating as a broker/dealer in securities under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation. In September 2008, the Company changed its name to Summit Capital Partners, LLC. The Company limits its activity to selling direct participation program securities to accredited investors. The securities are exempt in accordance with Regulation D. The Company has sales representatives in South Dakota, Nebraska, and Texas. The Company will continue perpetually unless dissolved by the members. The Company has evaluated all subsequent events through February 21, 2012, the date the financial statements were issued.

The Company operates under the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(i) provide that the company carries no margin accounts, promptly transmits all customer funds, and delivers all customer securities and, accordingly, does not otherwise hold funds or securities for, or owe money or securities to customers. The Company does not accept money from customers, but rather all customer payments are remitted directly to the fund into which the customer is investing.

*Security Transactions and Revenue Recognition*

All customer funds and commission revenue are deposited directly into escrow accounts held at First National Bank of Omaha for the exclusive benefit of customers of Summit Capital Partners, LLC. On the last day of each month, these funds are released to Summit Hotel Properties, LLC; Summit CRA Multi-Family Housing Fund I, LLC; or Summit CRA Multi-Family Housing Fund II, LLC for their intended purposes. When these funds are released, the commission revenue and related expenses are recorded. Since the Company only sells securities for related parties and those parties were not in need of capital during 2011 and 2010, the Company did not have any revenue to recognize.

*Personal Assets and Liabilities*

In accordance with the generally accepted method of presenting financial statements of limited liability companies, the financial statements do not include the personal assets and liabilities of the members, including their obligations for income taxes on the net income of the company or their right to a refund based on its net loss.

*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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Concentration of Credit Risk*

The Company's cash balance is maintained in one bank deposit account. This account is periodically in excess of federally insured limits.

### *Cash and Cash Equivalents*

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

### *Income Taxes*

Summit Capital Partners, LLC is a limited liability company and, as such, all federal taxable income of the limited liability company flows through and is taxable to the members of the Company. The Company has adopted the provisions of FASB ASC 740, *Income Taxes*, on January 1, 2009. The implementation of this standard had no impact on the financial statements. As of December 31, 2011 and 2010, the unrecognized tax benefit accrual was zero.

The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Company is no longer subject to Federal tax examinations by tax authorities for years before 2008.

### *New Accounting Standards*

In January 2010, the Financial Accounting Standards Board (FASB) issued an update (ASU No. 2010-06) to Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to improve disclosure requirements regarding transfers, classes of assets and liabilities, and inputs and valuation techniques. Certain provisions of ASU No. 2010-06 to ASC 820 related to separate line items for all purchases, sales, issuances, and settlements of financial instruments valued using Level 3 are effective for fiscal years beginning after December 15, 2010. The adoption of this ASC update on January 1, 2011 had no material impact on the consolidated financial statements or disclosures of the Company.

In May 2011, FASB issued an update (ASU No. 2011-04) to ASC 820, *Fair Value Measurements and Disclosures*, to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRS. This update is effective for interim and fiscal years beginning after December 15, 2011. The Company does not feel that this will have a material impact on the consolidated financial statements.

### *Fair Value*

The Company adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, effective January 1, 2009. FASB ASC 820 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. Fair value is defined under generally accepted accounting principles as 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. Valuation techniques used to measure fair value, as required by Topic 820 of the FASB ASC, must maximize the use of observable inputs and minimize the use of unobservable inputs.

Our estimates of the fair value of financial instruments as of December 31, 2011 and 2010 were determined using available market information and appropriate valuation methods. The carrying amounts of cash and cash equivalents, receivables, accounts payable and other liabilities approximate fair value due to the short-term nature of these instruments.

## **Note 2 – Related Party Transactions**

On May 6, 2004, the Company entered into an expense agreement with The Summit Group, Inc., a company related through common ownership. Under the terms of the agreement, The Summit Group, Inc. is responsible for the Company's administrative staff support services and non-commission wages and employee benefits of the Company's employees. No consideration was given per the terms of the agreement and no amounts have been included in the financial statements. No amounts have been included in the financial statements as the amounts are exempt in accordance with FINRA Notice to Members 03-63 Section 3a-e.

On May 1, 2004, the Company began leasing office space under a sublease with SOB, Inc., a company related through common ownership. Terms of the lease call for monthly payments of \$1,000 through May 2005 with automatic renewal on a month-to-month basis upon expiration of the initial term. This lease was revised to \$500 per month beginning March 1, 2011. Office lease payments to SOB, Inc. totaled \$7,000 and \$12,000 in 2011 and 2010, respectively.

## **Note 3 – Operating Leases**

During 2011 and 2010, the Company leased its office space in Sioux Falls, SD under a monthly operating lease (Note 2).

## **Note 4 – Reserve Requirements**

The Company is exempt from Securities and Exchanges Commission Rule 15c3-3 under section (k)(2)(i) and, therefore, is not required to make the periodic computation for determination of reserve requirements and information relating to the possession and control requirements under Rule 15c3-3 is not required herein.

## **Note 5 – Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's uniform net capital rule 15c3-1(a)(2)(vi), 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 rule also provides that equity capital may not be withdrawn or dividends paid if the resulting net capital ratio would exceed 10 to 1. As of December 31, the Company's net capital ratio, net capital, and net capital requirements were as follows:

	<u>2011</u>
Net Capital Ratio	<u>.09:1</u>
Net Capital	<u>\$19,524</u>
Net Capital Requirement	<u>\$ 5,000</u>

The Securities and Exchange Commission has adopted certain amendments to its Net Capital Rule requiring increased minimum net capital for brokers and dealers in securities. The company is still subject to a \$5,000 minimum net capital requirement.



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### Independent Auditor's Report on Supplementary Information

The Board of Managers  
Summit Capital Partners, LLC  
Sioux Falls, South Dakota

We have audited the accompanying financial statements of Summit Capital Partners, LLC, as of and for the year ended December 31, 2011 and 2010, and have issued our report thereon dated February 21, 2012, which contained an unqualified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information contained in Schedule I required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota  
February 21, 2012

**SUMMIT CAPITAL PARTNERS, LLC**  
**Schedule I - Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2011**

**NET CAPITAL**

Total member's equity from the statement of financial condition	\$ 23,309
Deductions:	
Nonallowable assets:	
Net commissions receivable in excess of liabilities	-
Receivables from non-customers	-
Haircuts on securities - money market funds	-
Equipment	-
Prepaid expenses and other assets	<u>(3,785)</u>
 Net Capital	 <u><u>\$ 19,524</u></u>

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS**

Minimum net capital required - (higher of 6 2/3% times aggregate indebtedness or \$5,000)	<u><u>\$ 5,000</u></u>
 Excess net capital	 <u><u>\$ 14,524</u></u>
 Excess net capital at 1,000% (net capital less 10% of total aggregate indebtedness)	 <u><u>\$ 19,354</u></u>

**AGGREGATE INDEBTEDNESS**

Total aggregate indebtedness included in the statement of financial condition	<u><u>\$ 1,700</u></u>
 Ratio of aggregate indebtedness to net capital	 <u><u>.09:1</u></u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

Net capital per Part II of Form X-174A-5, as originally filed	\$ 19,524
Net year end adjustments	<u>-</u>
	<u><u>\$ 19,524</u></u>



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## Independent Auditor's Report on Internal Control

Board of Managers  
Summit Capital Partners, LLC  
Sioux Falls, South Dakota

In planning and performing our audit of the financial statements of Summit Capital Partners, LLC (the Company), as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

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 previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Managers, management, the SEC, the Financial Industry Regulatory Authority, 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.

*Eide Bailly LLP*

Minneapolis, Minnesota  
February 21, 2012