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

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

OMB APPROVAL  
OMB Number: 3235-0123  
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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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Sunset Financial Services inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

3520 Broadway

(No. and Street)

Kansas City

MO

64111

(City)

(State)

(Zip Code)

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

Bruce Olberding

816-753-7000, Ext 8374  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

KPMG

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

1000 Walnut, Suite 1000

Kansas City

MO

64106

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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



KW  
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\*

**FOR OFFICIAL USE ONLY**

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

SEC 1410 (06-02)

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

N.A.  
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OATH OR AFFIRMATION

I, Bruce Olberding, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sunset Financial Services, Inc, as of February 24, 2012, 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:

JANET L. TATE
Notary Public-Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires Jan. 24, 2015
Commission # 10468889

[Signature]
Signature
President
Title

[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 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.
(o) Internal Auditor's Report of Internal Control Structure

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

**SUNSET FINANCIAL SERVICES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**

**December 31, 2011**

(amounts in thousands, except share data)

**ASSETS**

Fixed maturity trading securities, at fair value (amortized cost: \$659)	\$ 669
Cash and cash equivalents	1,266
Accounts receivable (net of allowance: \$1)	724
Interest receivable	2
Note receivable	157
Income tax receivable	22
Deferred tax asset	339
Total assets	<u>\$ 3,179</u>

**LIABILITIES**

Commissions payable	\$ 1,004
Due to affiliated entities	201
FINRA & administrative fees payable	167
Legal settlement	413
Other liabilities	105
Total liabilities	<u>1,890</u>

**STOCKHOLDER'S EQUITY**

Common stock, par value \$10 per share; authorized, 50,000 shares; issued and outstanding, 5,000 shares	50
Additional paid in capital	2,800
Retained deficit	<u>(1,561)</u>
Total stockholder's equity	<u>1,289</u>
Total liabilities and stockholder's equity	<u>\$ 3,179</u>

*See accompanying Notes to Financial Statements.*