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

SEC FILE NUMBER  
8-53684

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 January 1, 2011 AND ENDING December 31, 2011  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Western Strategic Advisors, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

3100 W 7th Street, Ste 300

(No. and Street)

Fort Worth

Texas

76107

(City)

(State)

(Zip Code)

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

Jeff Crawford

817/877-9980

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

Hartman Leito & Bolt, LLP

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

6050 Southwest Blvd., Ste 300

Fort Worth

Texas

76109

(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)

KJ  
4/12/12

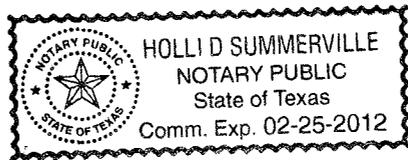
OATH OR AFFIRMATION

I, Jeff Crawford, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Western Strategic 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]  
Signature  
CCO  
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.

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



**Hartman Leito & Bolt, LLP**  
Accountants and Consultants

**WESTERN STRATEGIC ADVISORS, LLC**  
**Financial Statements and Supplemental Schedules**  
**As of and For the Year Ended December 31, 2011**  
**(With Independent Auditors' Report)**

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**WESTERN STRATEGIC ADVISORS, LLC**  
**Financial Statements and Supplemental Schedules**  
**As of and For the Year Ended December 31, 2011**  
**(With Independent Auditors' Report)**

**WESTERN STRATEGIC ADVISORS, LLC**

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**INDEPENDENT AUDITORS' REPORT**

**Board of Directors  
Western Strategic Advisors, LLC:**

**We have audited the accompanying statement of financial condition of Western Strategic Advisors, LLC (the "Company") as of December 31, 2011 and the related statements of income, changes in 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 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 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 the Company 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 supplemental schedules listed in the accompanying table of contents 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 and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our 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.**

*Hartman Leito & Bolt, LLP*

**February 17, 2012  
Dallas, Texas**

**WESTERN STRATEGIC ADVISORS, LLC**  
**Statement of Financial Condition**  
**December 31, 2011**

**ASSETS:**

Cash	\$ 520,292
Accounts receivable, net	<u>7,922</u>
<b>Total assets</b>	<b><u><u>\$ 528,214</u></u></b>

**LIABILITIES AND MEMBER'S EQUITY:**

Commitments and contingencies	-
Member's equity	<u>\$ 528,214</u>
<b>Total liabilities and members' equity</b>	<b><u><u>\$ 528,214</u></u></b>

**See accompanying notes and independent auditors' report.**

**WESTERN STRATEGIC ADVISORS, LLC**  
**Statement of Income**  
**For the Year Ended December 31, 2011**

**REVENUES:**

Merger and acquisition fees	\$ 5,873,496
Interest income	6,491
Other commission income	<u>72,951</u>
<b>Total revenues</b>	<b><u>5,952,938</u></b>

**EXPENSES:**

Management fees	5,878,047
Professional fees and other	<u>55,022</u>
<b>Total expenses</b>	<b><u>5,933,069</u></b>
<b>Net income</b>	<b><u>\$ 19,869</u></b>

**See accompanying notes and independent auditors' report.**

**WESTERN STRATEGIC ADVISORS, LLC**  
**Statement of Changes in Member's Equity**  
**For the Year Ended December 31, 2011**

<b>Balance at January 1, 2011</b>	<b>\$ 508,345</b>
<b>Net income</b>	<b><u>19,869</u></b>
<b>Balance at December 31, 2011</b>	<b><u><u>\$ 528,214</u></u></b>

**See accompanying notes and independent auditors' report.**

**WESTERN STRATEGIC ADVISORS, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	\$ 19,869
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Increase in accounts receivable	<u>(4,640)</u>
Net cash provided by operating activities	15,229
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>
Net increase in cash	15,229
Cash at beginning of year	<u>505,063</u>
Cash at end of year	<u><u>\$ 520,292</u></u>

See accompanying notes and independent auditors' report.

**WESTERN STRATEGIC ADVISORS, LLC**  
**Notes to Financial Statements**  
**As of and For the Year Ended December 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Organization and Nature of Business**

Effective August 16, 2003, the partners of Western Strategic Advisors, LLP converted their shares into Western Strategic Advisors, LLC, (the "Company") a Texas Limited Liability Company. On January 1, 2006, all members' equity of the Company was transferred to Western Commerce Group, LLC. The Company is registered with the Securities and Exchange Commission ("SEC") and various state regulatory jurisdictions as a broker-dealer and is a member of The Financial Industry Regulatory Authority ("FINRA"). The Company is also a member of the Securities Investor Protection Corporation (SIPC), which insures customers' deposits up to \$500,000 including \$100,000 in cash.

The Company is in the business of merger and acquisition consulting. They also have the ability to sell mutual funds, variable annuities and variable life insurance. The Company cannot take possession of customer funds. Accordingly, the Company operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(i).

**(b) Accounts Receivable**

Accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. No allowance was recorded at December 31, 2011.

**(c) Income Taxes**

The Company is treated as a partnership for federal income tax purposes and does not incur income taxes. Instead, its earnings and losses are included in the personal returns of the members and taxed depending on their personal tax situations. The financial statements do not reflect a provision for income taxes. The Company is subject to income tax under the Texas State Margin Tax. However, these taxes were not material for inclusion. Currently, the Company is not under examination for income tax purposes by any taxing jurisdiction. Open tax years subject to examination are as follows:

State of Texas	2007 to present
United States	2008 to present

The Company follows the guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") *Accounting for Uncertainty in Income Taxes*. Under this guidance, a company must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Company does not believe there are any unrecognized tax benefits that should be recorded. For the year ended December 31, 2011 there were no interest or penalties recorded or included in the statement of operations.

**(d) Management's Estimates and Assumptions**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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. The actual results could differ from these estimates.

**WESTERN STRATEGIC ADVISORS, LLC**  
**Notes to Financial Statements**  
**As of and For the Year Ended December 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Statement of Cash Flows**

For the purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

**(f) Concentrations of Credit Risk**

The Company sells mutual funds, variable annuities, and variable life insurance policies, which results in accounts receivable arising from commissions earned. The Company does business with several companies in the securities industry and thus believes that its receivable credit risk exposure is limited.

During the year ended December 31, 2011, merger and acquisition fees made up 99% of the Company's revenue. These fees were received from eight customers.

In addition, financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash accounts in financial institutions. Cash exceeding federally insured limits totaled approximately \$252,000 at December 31, 2011.

**(g) Recent Accounting Pronouncements**

The Company's management has evaluated the recently issued accounting pronouncements through the date these financial statements were available to be issued and has determined the application of these pronouncements will have no material impact on the Company's financial position and results of operations.

**2. RELATED PARTY TRANSACTIONS**

Pursuant to a management service agreement with an affiliated company, the Company pays an annual fee, as defined by the management agreement. For the year ended December 31, 2011, the Company expensed \$5,878,047 related to this agreement for management services to conduct efficiently the Company's business with its customers, namely the business of a broker-dealer.

**3. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum regulatory net capital and requires that the ratio of aggregate indebtedness to regulatory net capital, both as defined, shall not exceed 15 to 1. At December 31, 2011, the Company had regulatory net capital, as defined under SEC Rule 15c3-1, of \$528,214, which was \$523,214 in excess of its required regulatory net capital of \$5,000. The Company's ratio of aggregate indebtedness to regulatory net capital was 0%.

**WESTERN STRATEGIC ADVISORS, LLC**  
**Notes to Financial Statements**  
**As of and For the Year Ended December 31, 2011**

**4. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Company executes, as agent, securities transactions on behalf of its customers. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be obligated to discharge the obligation of the nonperforming party and, as a result, is subject to market risk if the market value of the securities is different from the contract amount of the transactions.

The Company does not anticipate nonperformance by customers or counterparties in the above situations. The Company's policy is to monitor its market exposure and counterparty risk. In addition, the Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

**5. SUBSEQUENT EVENT**

The date to which events occurring after December 31, 2011, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is February 17, 2012, which is the date on which the financial statements were issued.

**SUPPLEMENTAL SCHEDULES**

**WESTERN STRATEGIC ADVISORS, LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**For the Year Ended December 31, 2011**

**COMPUTATION OF NET CAPITAL:**

<b>Total member's equity</b>	<b>\$ 528,214</b>
<b>Less: Non-allowable assets</b>	<u>-</u>
<b>Net capital</b>	<b>528,214</b>
<b>Net capital requirement</b>	<u>5,000</u>
<b>Excess net capital</b>	<u><u>\$ 523,214</u></u>

There are no material differences between the computation of net capital contained herein and the corresponding computation prepared by Western Strategic Advisors, LLC and included in the Company's unaudited Part IIA Report Filing as of December 31, 2011.

**WESTERN STRATEGIC ADVISORS, LLC**  
**Statement of Changes in Liabilities Subordinated to Claims of Creditors**  
**For the Year Ended December 31, 2011**

<b>Claims at January 1, 2011</b>	<b>\$ -</b>
<b>Additions</b>	<b>-</b>
<b>Reductions</b>	<b>-</b>
	<hr/>
<b>Claims at December 31, 2011</b>	<b>\$ -</b>
	<hr/> <hr/>

**WESTERN STRATEGIC ADVISORS, LLC  
Information Relating to the Possession  
or Control Requirements under SEC Rule 15c3-3  
of the Securities and Exchange Commission  
For the Year Ended December 31, 2011**

**The Company claims exemption from the requirements of SEC Rule 15c3-3, under Section k(2)(i) of the Rule.**

**A computation for determination of reserve requirements pursuant to Rule 15c3-3 required by Rule 17a-5(d)(3) and information relating to possession or control of securities as required by Rule 15c3-3 and Rule 17a-5(d)(3) of the SEC were both omitted as the Company, can not take possession of customer funds.**

**The Company was in compliance with the conditions of the exemptive provisions of SEC Rule 15c3-3 at December 31, 2011.**



**Independent Auditors' Report on Internal Control Required by  
SEC Rule 17a-5(g)(1) for a Broker-Dealer Claiming  
an Exemption From SEC Rule 15c3-3**

**Board of Directors  
Western Strategic Advisors, LLC:**

In planning and performing our audit of the financial statements and supplemental schedules of Western Strategic Advisors, 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 (or aggregate debits) 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 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) 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 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 deficiency, or 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 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 Directors, management, the SEC, 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.**

*Hartman Lento & Bolt, LLP*

**February 17, 2012  
Dallas, Texas**



**AGREED UPON PROCEDURES REPORT**

To the Board of Directors of  
Western Strategic Advisors, LLC

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 [General Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by Western Strategic Advisors, LLC (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7T). The Company's management is responsible for the Company'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-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, 2011, as applicable, with the amounts reported in Form SIPC-7T for the year ended December 31, 2011, noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers, noting no differences;
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.

*Hartman Leito & Bolt, LLP*

February 17, 2012  
Dallas, Texas