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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

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123

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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 1/1/11 AND ENDING 12/31/11  
mm/dd/yy mm/dd/yy

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Code Advisors LLC

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

101 Second Street, Suite 2225

(No. and Street)

San Francisco

California

94105

(City)

(State)

(Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

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

Robert Schooler

415-659-8081

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Ernst Wintter & Associates, Certified Public Accountants

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

675 Ygnacio Valley Road, Suite A200

Walnut Creek

California

94596

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United State 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).

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.

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Robert Schooler, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Code Advisors LLC, as of December 31, 2011, are true and correct. I further 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:

NONE

State of California County of SAN FRANCISCO
Subscribed and sworn to (or affirmed) before me on this 13 day of MARCH, 2012, by ROBERT L. SCHOOLER
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature (Handwritten signature of Robert L. Schooler)

CFO Title

Signature (Handwritten signature of T. Lewis)

(Seal)

Notary Public



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

- (a) Facing page [checked]
(b) Statement of Financial Condition. [checked]
(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 for Determination of the Reserve Requirement 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. [checked]
(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) Independent Auditor's Report on Internal Accounting Control. [ ]

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

# Code Advisors LLC

December 31, 2011

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675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
Fax (925) 944-6333

## **Independent Auditor's Report**

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To the Member  
Code Advisors LLC  
San Francisco, California

We have audited the accompanying statement of financial condition of Code Advisors LLC (the "Company") as of December 31, 2011, that is filed 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 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. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Code Advisors LLC as of December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

*Ernst Winter & Associates*

March 12, 2012

# Code Advisors LLC

## Statement of Financial Condition

December 31, 2011

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<b>Assets</b>	
Cash	\$ 9,958,151
Accounts receivable	293,260
Prepaid expenses	39,438
<b>Total Assets</b>	<b>\$ 10,290,849</b>

  

<b>Liabilities and Member's Equity</b>	
<b>Liabilities</b>	
Accounts payable	\$ 55,542
Due to affiliate	3,220,626
<b>Total Liabilities</b>	<b>\$ 3,276,168</b>
<b>Member's Equity</b>	<b>7,014,681</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 10,290,849</b>

See independent auditor's report and accompanying notes.

# Code Advisors LLC

## Notes to the Financial Statements

December 31, 2011

### 1. Organization

Code Advisors LLC (the "Company") was organized as a Delaware limited liability company in February 2010. The Company is owned by its sole member, Code Holdings LLC ("Holdings"), and operates in San Francisco, California. The Company is a securities broker-dealer and registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") in December, 2010. The Company advises public and private companies on mergers, acquisitions and other corporate matters on a fee basis.

### 2. Significant Accounting Policies

#### Cash and Cash Equivalents

The Company considers all demand deposits held in banks and certain highly liquid investments with original maturities of three months or less, other than those held for sale in the ordinary course of business, to be cash equivalents.

#### Accounts Receivable

Accounts receivable represent amounts earned per agreement that have not been collected. Management reviews accounts receivable and sets up an allowance for doubtful accounts when collection of a receivable becomes unlikely. The Company considers accounts receivable to be fully collectible, and accordingly, no allowance for doubtful accounts has been provided.

#### Investment Banking Fees

The Company generates revenue by providing advisory services to companies related to mergers and acquisitions by acting as agent in private placements of securities and by participating in securities underwritings. The Company recognizes revenue in accordance with the terms and conditions specified in its engagement letters with each of its clients. Revenue is recognized when earned either by fee contract or the success of a predetermined specified event and the income is reasonably determinable.

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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 and may have an impact on future periods.

#### Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

#### Income Taxes

The Company, a limited liability company, is taxed as a division of its sole member under the Internal Revenue Code and a similar state statute. In lieu of income taxes, the Company passes 100% of its taxable income and expenses to its sole member. Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company is however, subject to the annual California LLC tax of \$800 and a California LLC fee based on gross revenue.

# **Code Advisors LLC**

## **Notes to the Financial Statements**

**December 31, 2011**

### **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 Company to maintain a minimum net capital equal to or greater than \$100,000 and a ratio of aggregate indebtedness to net capital not exceeding 8 to 1, both as defined. At December 31, 2011, the Company's net capital was \$9,470,886 which exceeded the requirement by \$9,061,365.

### **4. Risk Concentration**

For the year ended December 31, 2011, 100% of the accounts receivable is from one customer.

At various times during the year, the Company's cash in bank balances exceeded the FDIC insured limit. At December 31, 2011, the Company held deposits at a financial institution which were in excess of applicable federal insurance limits by \$9,669,132.

### **5. Related Party Transactions**

The Company has an overhead sharing agreement with Code Management Company LLC ("Management"). Management provides office space and pays most overhead expenses for the Company. The Company has no obligation to reimburse or compensate Management, however, the Company pays management fees to Management as part of this agreement. At December 31, 2011, \$3,220,626 was due to Management and is included in due to affiliate on the statement of financial condition.

The Company's results of operations and financial position could differ significantly from those that would have been obtained if the entities were autonomous.

### **6. Subsequent Events**

On January 13, 2012, the Company distributed \$3,793,500 to Holdings.

The Company has evaluated subsequent events through March 12, 2012, the date which the financial statements were available to be issued.

**Code Advisors LLC  
(SEC ID No. 8-68511)**

**Annual Audit Report**

**December 31, 2011**

**PUBLIC DOCUMENT**

Filed Pursuant to Rule 17-A-5(E)(3) as a Public Document