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

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 01/01/2011 AND ENDING 12/31/2011  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

**Meadowvale Advisors, LLC**

OFFICIAL USE ONLY

FIRM I.D. NO.

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

**152 West 57<sup>th</sup> Street Floor 14**

(No. and Street)

**New York**

**New York**

**10019**

(City)

(State)

(Zip Code)

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

**Chris Matchett**

**(646) 873-6271**

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

**Keith K. Zhen, CPA**

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

**2070 West 6<sup>th</sup> Street**

**Brooklyn**

**New York**

**11223**

(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).

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Paul Ehrenstein, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Meadowvale 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:

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

*Paul Ehrenstein*  
Signature

FINOP

Title

DIERDRE STEINHAUS AINBINDER  
Notary Public, State of New York  
No. 01A14899711  
Qualified in Nassau County  
Commission Expires July 6, 2015

*Dierdre Steinhaus Ainkinder*  
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 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 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).

**MEADOWVALE ADVISORS, LLC**

**Statement of Financial Condition**

**December 31, 2011**

**(With Independent Auditors' Report Thereon)**

**MEADOWVALE ADVISORS, LLC**

**DECEMBER 31, 2011**

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**KEITH K. ZHEN, CPA**

**CERTIFIED PUBLIC ACCOUNTANT**

**2070 WEST 6TH STREET, BROOKLYN, NY 11223 TEL (347) 408-0693 FAX (347) 602-4686**

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
Meadowvale Advisors, LLC  
New York, NY

We have audited the accompanying statement of assets, liabilities and members' equity of Meadowvale Advisors, LLC as of December 31, 2011. 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition 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 Meadowvale Advisors, LLC as of December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

*Keith K. Zhen*

Keith K Zhen, CPA  
Brooklyn, NY  
February 22, 2012

MEADOWVALE ADVISORS, LLC

STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY

DECEMBER 31, 2011

ASSETS

Cash	\$	4,960
Due from broker dealers		12,419
Due from managing member		5,000
Prepaid expenses		<u>981</u>
TOTAL ASSETS	\$	<u><u>23,360</u></u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$	<u>9,500</u>
TOTAL LIABILITIES		9,500
Commitments and contingent liabilities (Note 5)		-
Members' equity		<u>13,860</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	<u><u>23,360</u></u>

The accompanying notes are an integral part of these financial statements.

**MEADOWVALE ADVISORS, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2011**

**NOTE 1- ORGANIZATION AND NATURE OF BUSINESS**

Organization

Meadowvale Advisors, LLC (formerly Matchett Capital, LLC) (the "Company"), was formed as a New York limited liability company on September 7, 2006, is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and became a member of the Financial Industry Regulatory Authority ("FINRA") on May 7, 2007.

Nature of Business

The Company earns commission income by referring customers to another broker-dealer. The Company also earns fees from doing private placements of securities on a best efforts basis.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Concentration of Credit Risk

The Company is engaged in various investment and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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.

Revenue Recognition

Fees earned by business directed to AVM, L.P. are recorded as they are earned. Private placement fee income is recorded upon the closing of each deal.

Recent Accounting Pronouncements

The Company does not expect the adoption of recent accounting pronouncements to have any material impact on its financial condition or results of operations.

**MEADOWVALE ADVISORS, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2011**

**NOTE 3- FAIR VALUE OF INSTRUMENTS**

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction cost. Fair value measurement under generally accepted accounting principles provides for the use of a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Company.
- Level 3: Unobservable inputs. Unobservable inputs reflect the assumptions that the Company develops based on available information about what market participants would use in valuing the asset or liability.

The Company has no assets or liabilities that are measured at fair value on a recurring basis.

**NOTE 4- INCOME TAXES**

No provisions for federal and state income taxes are made in the financial statements as the Company is a limited liability company and these taxes are the responsibility of the members.

**NOTE 5- COMMITMENTS AND CONTINGENCIES**

The Company uses office space provided by an affiliate at no cost to the Company. Certain fixed expenses of the Company have been paid by an affiliate of the Company under common ownership. An expense sharing agreement is being prepared between the two entities whereby those expenses will be recorded on the books of the Company as a capital contribution by the Member.

**MEADOWVALE ADVISORS, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2011**

**NOTE 6- NET CAPITAL REQUIREMENTS**

The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. This Rule requires that the ratio of aggregate indebtedness to net capital may not exceed 15 to 1 and equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2011, the Company's net capital was \$7,879 which was \$2,879 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 1.2057 to 1.

**NOTE 7 EMPLOYEE BENEFIT PLAN**

The Company adopted the Meadowvale Advisors, LLC 401(k) Plan under section 401(k) of the Internal Revenue Code of 1986, as amended. Under the Plan, all employees eligible to participate may elect to contribute a percentage of their salary up to the maximum allowed under the Code. All full time employees are eligible for the Plan. During 2011 \$1,500 of contributions were made to the Plan. The Plan was terminated in February, 2011.

**NOTE 8- SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through February 22, 2012, the date that its financial statements were ready to be issued. The Company believes that there are no subsequent events requiring further disclosure.