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

Mail Processing  
Section **SEC FILE NUMBER**  
8, 66236  
FEB 26 2013

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Washington DC  
405

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: G & L PARTNERS, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
<u>FIRM I.D. NO.</u>

8 HIGHLAND PLACE

(No. and Street)

SEA CLIFF

NEW YORK

11579

(City)

(State)

(Zip Code)

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

DANIEL LePORIN

212-656-7898

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MANDEL, FEKETE & BLOOM, CPAs

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

30 MONTGOMERY STREET

JERSEY CITY

NEW JERSEY

07302

(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)

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.

EM  
3/8/13

OATH OR AFFIRMATION

I, DANIEL LEPORIN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of

G & L PARTNERS, INC., as of

DECEMBER 31, 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:

NONE

ANGELA A. ROMAN
NOTARY PUBLIC, State of New York
No. 01RO055776
Qualified in Orange County
Commission Expires Mar. 05, 2015

[Handwritten Signature]
Signature

FEB 25 2013

[Handwritten Signature: Angela A. Roman]
Notary Public

PRESIDENT
Title

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

- [X] (a) Facing Page.
[X] (b) Statement of Financial Condition.
[X] (c) Statement of Income (Loss).
[X] (d) Statement of Changes in Financial Condition.
[X] (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
[X] (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
[X] (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.
[X] (l) An Oath or Affirmation.
[X] (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).

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

MILTON E. MANDEL, (1932-1984)  
FRANK L. FEKETE  
BERNARD BLOOM, (1959-1989)  
MARK J. BANN  
DANIEL G. KAROSEN

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(201) 434-6875  
FAX (201) 434-8759

**VIA FEDERAL EXPRESS –  
OVERNIGHT COURIER**

February 25, 2013

Securities and Exchange Commission  
Registration Branch  
Mail Stop 8031  
100 F Street NE  
Washington, D.C. 20549

**SEC**  
Mail Processing  
Section

FEB 26 2013

Washington DC  
405

**Re: SEC File Number 8-66236  
G & L Partners, Inc.**

Dear Sir or Madam:

Please accept for filing the enclosed Annual Audited Report X-17A-5 for G & L Partners, Inc. for the period covering January 1, 2012 and ending December 31, 2012.

Yours very truly,



Frank L. Fekete

FLF/car

Enc.

cc: Mr. Daniel LePorin

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**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

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**ACCOUNTANT'S REPORT OF INTERNAL CONTROL**

G & L Partners, Inc.  
8 Highland Place  
Sea Cliff, New York 11579

In planning and performing our audit of the financial statements of G & L Partners, Inc., as of and for the year ended December 31, 2012 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

continued

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 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, as described in the second paragraph of this report, were adequate at December 31, 2012, to meet the SEC's objectives.

continued

This report recognizes that it is not practical in an organization the size of this company to achieve all divisions of duties and cross checks generally included in a system of internal control and that alternatively greater reliance must be placed on surveillance by management.

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.

*Mandel, Fekete & Bloom*

February 14, 2013

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**G & L PARTNERS, INC.**  
**ANNUAL REPORT**  
**DECEMBER 31, 2012**

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- I. COMPUTATION OF NET CAPITAL UNDER  
RULE 15c3-1 OF THE SECURITY AND EXCHANGE  
COMMISSION (3 Pages)

**MANDEL, FEKETE & BLOOM**  
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**INDEPENDENT AUDITOR'S REPORT**

G & L Partners, Inc.  
8 Highland Place  
Sea Cliff, New York 11579

**Report on the Financial Statements**

We have audited the accompanying statement of financial condition of G & L Partners, Inc. (the Company) as of December 31, 2012, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

continued

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of G & L Partners, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. 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 in Schedule I 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 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 in Schedule I is fairly stated in all materials respects in relation to the financial statements as a whole.

*Mandel, Fekete & Bloom*

February 14, 2013

## G &amp; L PARTNERS, INC.

## STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

**ASSETS**

## Current

## Cash

Signature Bank - checking account	\$	57,628	
JP Morgan Chase Bank - checking account		30,186	
			\$ 87,814

Escrow account - clearing broker			100,020
Commissions Receivable			120,713
Rebates Receivable			14,421
Other assets			2,992

Total Current Assets 325,960

Property and equipment, at cost	27,758		
Accumulated Depreciation	26,668		
			1,090

Organization expense	6,080		
Accumulated amortization	6,080		
			0

## Other Assets

Loan Receivable			60,000
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**TOTAL ASSETS** \$ 387,050

**LIABILITIES AND STOCKHOLDERS' EQUITY****Liabilities**

Accounts payable	\$	34,601	
Accrued expenses		36,790	
Line of credit payable		98,947	

TOTAL CURRENT LIABILITIES 170,338

**LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

Subordinated loan		250,000	
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TOTAL LIABILITIES 420,338

**STOCKHOLDERS' EQUITY**

Common stock - no par value			
Authorized - 200 shares			
Issued - 20 shares	\$	350,000	
Additional paid-in-capital		410,000	

Accumulated adjustments account		(793,288)	
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TOTAL STOCKHOLDERS' EQUITY (33,288)

**TOTAL LIABILITIES & STOCKHOLDERS' EQUITY** \$ 387,050

G & L PARTNERS, INC.

**STATEMENT OF INCOME**

FOR THE YEAR 2012

REVENUE

Commission Income	\$ 1,298,997
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EXPENSES

Officers' salaries	\$ 177,287
Office salaries	403,516
Payroll Taxes	44,511
Employee benefits	721
Clearance Charges	60,784
Error Account	990
Commission Expense	35,778
NYSE dues and expenses	97,981
Rent	5,061
Office expense	22,435
Quotation Services	169,156
Rebates	117,098
Insurance	21,133
Interest expense	29,012
Travel and automobile expenses	15,174
Meals and entertainment	60,112
Professional fees	53,862
Charitable contributions	2,050
Telephone	39,980
SIPC fees	2,713
Dues and subscriptions	2,617
Miscellaneous	5,998
Depreciation Expense	310
	<u>1,368,279</u>

OPERATING (LOSS)	(69,282)
------------------	----------

Other Income

Interest Income	<u>541</u>
-----------------	------------

(LOSS) BEFORE TAXES	(68,741)
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Income and Franchise taxes

Federal	0
New York State	1,000
New York City	874
	<u>1,874</u>

<b>NET (LOSS)</b>	<u><u>\$ (70,615)</u></u>
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G & L PARTNERS, INC.

**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

FOR THE YEAR 2012

CAPITAL STOCK

Common	\$	350,000
Balance at beginning of the year		<u>0</u>
Issuance of shares		<u>\$ 350,000</u>
Balance at end of year		

ADDITIONAL PAID-IN CAPITAL

Balance at beginning of year	\$	350,000
Paid-in capital		<u>60,000</u>
Balance at end of year	\$	<u>410,000</u>

ACCUMULATED ADJUSTMENT ACCOUNT

Balance at beginning of year	\$	(713,265)
Net (loss)		(70,615)
(Distributions)		<u>(9,408)</u>
Balance at end of year	\$	<u>(793,288)</u>

**TOTAL STOCKHOLDERS' EQUITY AT END OF YEAR** \$ (33,288)

G & L PARTNERS, INC.

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

	<u>FOR THE YEAR 2012</u>
Balance-beginning of period	\$ 250,000
2012 Activity	<u>0</u>
<b>BALANCE - END OF YEAR</b>	<b><u>\$ 250,000</u></b>

G & L PARTNERS, INC.

**STATEMENT OF CASH FLOWS**

FOR THE YEAR 2012

**Cash Flows from Operating Activities:**

Net (Loss)	\$	(70,615)	
Adjustments to Reconcile Net (Loss) to Net Cash provided by Operating Activities:			
Depreciation		330	
Increase in escrow account		(21)	
Decrease in prepaid expenses		381	
Decrease in commissions receivable		27,558	
Increase in rebates receivable		(14,421)	
Decrease in other assets		146	
Increase in accounts payable		32,921	
Decrease in accrued liabilities		<u>(51,939)</u>	
Net Cash provided by Operating Activities	\$		(75,660)

**Cash Flows from Investing Activities:**

Repayment on Line of Credit		(362)	
Net employee loan		(60,000)	
Net Shareholder loan repayments		(6,860)	
Security Deposit refunded		<u>5,341</u>	
			(61,881)

**Cash Flows from Financing Activities:**

Capital Contributed		60,000	
Distributions		<u>(9,408)</u>	

Net Cash provided by Financing Activities 50,592

**NET (DECREASE) IN CASH** (86,949)

**CASH AND EQUIVALENTS AT JANUARY 1, 2012** 174,763

**CASH AND EQUIVALENTS AT DECEMBER 31, 2012** \$ 87,814

**Supplemental Cash Flow Disclosures:**

Income tax payments \$ 967

Interest payments \$ 29,012

# G & L PARTNERS, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1. ORGANIZATION AND NATURE OF BUSINESS

G & L Partners, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of Financial Industry Regulatory Authority ("FINRA"). The Company is a New York S-Corporation.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Securities Transactions

Customers' securities and commodities transactions are reported on a settlement date basis with related commissions income and expenses reported on a trade date basis. Amounts received and payable for securities and transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

#### Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

#### Income Taxes

The Company is an S-Corporation for federal income tax purposes and is not subjected to federal income taxes at the corporate level. The Company is also an S-Corporation for New York State tax purposes and accordingly these financial statements reflect income taxes at the reduced level. The amount of current and deferred state and city income taxes payable is recognized as of the date of the financial statements, utilizing currently enacted laws and rates.

The Company evaluates each tax position taken on its tax returns and recognizes a liability for any tax position deemed less likely than not to be sustained under examination by the relevant taxing authorities. The Company's open tax years subject to examination by the relevant taxing authorities are 2009, 2010 and 2011.

#### Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

#### Depreciation

Depreciation of property and equipment is provided over the estimated useful life on a straight-line basis.

#### 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 (90) days, which are not held for sale in the ordinary course of business.

#### Subsequent Events

The Company has evaluated events and transactions that occurred between January 1, 2013 and February 14, 2013, which is the date the financial statements were to be issued, for possible disclosure and recognition in the financial statements.

### 3. CONCENTRATIONS OF CASH

The Company at times during operations has cash deposits that exceed \$250,000 in one account in individual banks. The Federal Deposit Insurance Corporation (FDIC) insures only the first \$250,000 in member banks. At December 31, 2012, the Company's uninsured cash balance totaled \$0.

### 4. CREDIT LINE PAYABLE

The Company has a \$100,000 line of credit from Chase Bank. The principal balance due as of December 31, 2012 is \$98,947. Interest rate as of December 31, 2012 was 4.25%. The line which matures each February has an automatic one year renewal.

# G & L PARTNERS, INC.

## NOTES TO FINANCIAL STATEMENTS

### 5. LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

Subordinated liabilities in the amount of \$250,000 consisted of a note covered by a subordinated loan agreement, which was approved by FINRA. The note matures on October 25, 2013 and bears interest of 10%.

### 6. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), 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. At December 31, 2012, the Company had net capital of \$128,749, which was \$118,355 in excess of its required net capital of \$10,394.

### 7. INCOME TAXES

The current and deferred portions of the income tax expense (benefit) included in the statement of operations in accordance with FASB Statement No. 109, *Accounting for Income Taxes*, are as follows:

<u>December 31, 2012</u>	<u>Current</u>	<u>Deferred</u>
Federal	\$ 0	\$ 0
New York State	1,000	0
New York City	874	0
	<u>\$ 1,874</u>	<u>\$ 0</u>

G & L PARTNERS, INC.

**SCHEDULE 1**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION**

As of December 31, 2012

Total ownership equity from Statement of Financial Condition	\$	(33,288)	
Deduct ownership equity not allowable for Net Capital		<u>0</u>	
Total ownership equity qualified for Net Capital			(33,288)
Add:			
Liabilities subordinated to claims of general creditors allowable			
In computation of net capital		250,000	
Other (deductions) or allowable liabilities		<u>0</u>	
Total capital and allowable subordinated liabilities	\$		216,712
Deductions and/or charges:			
Total non-allowable assets from Statement of Financial Condition (See List A)	\$	87,963	
Secured demand note deficiency		0	
Commodity futures contracts and spot commodities-proprietary capital charges		0	
Other deductions and/or charges		<u>0</u>	
			(87,963)
Other additions and/or allowable credits			
Total non-allowable accrued liabilities from Statement of Financial Condition		<u>0</u>	
Net Capital before haircuts on securities positions	\$		128,749
Haircuts on securities (computed, where applicable, pursuant to 13c301(f):			
Contractual securities commitments	\$	0	
Subordinated securities borrowings		0	
Trading and investment securities:			
Exempted securities		0	
Debt securities		0	
Options		0	
Other securities		0	
Undue concentration		0	
Other		<u>0</u>	
			<u>0</u>
<b>NET CAPITAL</b>	<b>\$</b>		<b><u>128,749</u></b>

See notes to financial statements

# G & L PARTNERS, INC.

## COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

As of December 31, 2012

Minimum net capital required	\$	10,394
Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000
Net capital requirement	\$	10,394
Excess net capital	\$	118,355
Excess net capital at 120% of minimum net capital requirement	\$	113,157

## COMPUTATION OF AGGREGATE INDEBTEDNESS

Total A.I. liabilities from Statement of Financial Condition	\$	155,917
Add:		
Drafts for immediate credit	\$	0
Market value of securities borrowed for which no equivalent value is paid or credited	\$	0
Other unrecorded indebtedness	\$	0
		<u>0</u>
Total aggregate indebtedness	\$	155,917
Percentage of aggregate indebtedness to net capital		121.10%
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		115.36%

## RECONCILIATION WITH COMPANY'S COMPUTATION

(INCLUDED IN PART IIA OF FORM X-17A-5 AS OF DECEMBER 31, 2012)

As of December 31, 2012

Net Capital as reported in company's Part IIA (unaudited) focus report	\$	140,283
Audit adjustments to record additional accrued expenses		(11,915)
Audit adjustments to reclassify other assets		381
<b>NET CAPITAL per above</b>	<b>\$</b>	<b><u>128,749</u></b>

## LIST A

Commission Receivable	\$	9,460
Rebates Receivable		14,421
Prepaid Expenses		2,992
Property and equipment		1,090
Loan Receivable		60,000
	\$	<u>87,963</u>

## G & L PARTNERS, INC.

### NOTES RE: OTHER SCHEDULES

The Company claims an exemption from the Securities and Exchange Commission Rule 15c3-3 based on the following:

All customer transactions cleared through another broker-dealer/clearing organization on a fully disclosed basis. The Company does not carry securities accounts for customers nor does it perform custodial functions relating to customer securities.

Accordingly, the following schedules are not presented as part of these financial statements:

- Computation for determination of reserve requirements
- Information relating to possession or control requirements

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

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FRANK L. FEKETE  
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**SCHEDULE II**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
G & L Partners, Inc.  
8 Highland Place  
Sea Cliff, New York 11579

In accordance with Rule 17a-5(e)(4) under the Securities 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-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by G & L Partners, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and other specified parties in evaluating G & L Partners, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). G & L Partners, Inc.'s management is responsible for G & L Partners, Inc.'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-7 with respective cash disbursement records entries including the general ledger and bank statement noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2012 noting no differences;
3. Compared any adjustments report in Form SIPC-7 with supporting schedules, working papers, SIPC-7 template and calculation of total assessment noting no differences;

continued

To the Board of Directors of  
G & L Partners, Inc.  
Page 2

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules, working papers, SIPC-7 template and calculation of total assessment supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed 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.

*Mandel, Fekete + Bloom*

February 14, 2013

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2012

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

068236 FINRA DEC  
G & L PARTNERS INC 13\*13  
8 HIGHLAND PL  
SEA CLIFF NY 11579-2021

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2) \$ 2,713

B. Less payment made with SIPC-6 filed (exclude interest) (1,650)

Date Paid

C. Less prior overpayment applied (0)

D. Assessment balance due or (overpayment) 1,063

E. Interest computed on late payment (see instruction E) for 0 days at 20% per annum 0

F. Total assessment balance and interest due (or overpayment carried forward) \$ 1,063

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above)

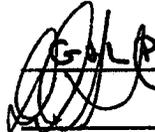
\$ 1,063

H. Overpayment carried forward

\$( 0 )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

  
G&L Partners, Inc  
(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 12 day of February, 20 13.

President  
(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation

Forward Copy Documentation

Exceptions:

Disposition of exceptions:

## DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 1/1/2012  
and ending 12/31/2012

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 1,299,538

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

213,660

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 541

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

541  
214,201  
\$ 1,085,337  
2,713

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

(to page 1, line 2.A.)