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

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ANNUAL AUDITED REPORT **Mail Processing**  
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PART III MAR 4 - 2013

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8-37893

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

REPORT FOR THE PERIOD BEGINNING 1/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: M.M. Dillon & Co. LLC

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

262 Harbor Drive

Stamford

(No. and Street)

CT

(City)

(State)

06902

(Zip Code)

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

John Beneke

203-569-6824

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

WeiserMazars LLP

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

60 Crossways Park Drive West, Suite 301

Woodbury

NY

11797-9861

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

\*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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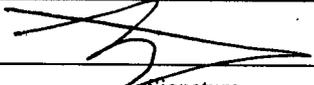
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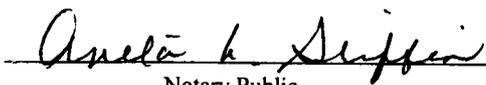
OATH OR AFFIRMATION

I Michiel C. McCarty, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of M.M. Dillon & Co. LLC, 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:

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

**ANITA L. GRIFFIN**  
**NOTARY PUBLIC OF CONNECTICUT**  
My Commission Expires 10/31/2014

  
\_\_\_\_\_  
Signature  
Chairman + CEO  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
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 Cash Flows.
- (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) Independent Auditors' Report on Internal Accounting Control.

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



# M.M. Dillon & Co.

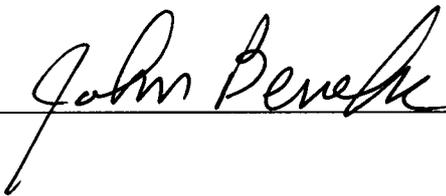
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February 2013

Enclosed please find one copy of our annual audited report for the year ended December 31, 2012.

Very truly yours,

**M.M. Dillon & Co. LLC**



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# **M.M. Dillon & Co. LLC**

**262 Harbor Drive  
Stamford, CT 06902**

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## **STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2012**

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**M.M. Dillon Co. LLC**  
**Statement of Financial Condition**  
**December 31, 2012**

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**Assets**

Cash	\$	127,689
Deposit with clearing organization		29,281
Receivables from non-customers, less allowance for doubtful accounts of \$416,667		833,333

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**Othe Total assets** \$ 990,513

**Liabilities and Member's Equity**

Liabilities

Accr Total liabilities	\$	31,941
		<u>31,941</u>

Member's equity 958,572

**Total liabilities and member's equity** \$ 990,513

The accompanying notes are an integral part of this financial statement.

**M.M. Dillon & Co. LLC**  
**Notes to Financial Statement**  
**Year Ended December 31, 2012**

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**1. Nature of Operations**

M.M. Dillon & Co. LLC (the "Company") operates as a limited liability company under the laws of the State of Delaware. The Company is a registered broker dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation. The Company provides investment banking advisory, public underwriting and private placement financing services. The Company's parent, M.M. Dillon & Co. Group LLC (the "Parent") is a Stamford, Connecticut based investment banking firm, which provides a wide array of investment banking services to middle market institutional clients.

On November 30, 2012, the Company entered into a Selling Group Agreement with MKM Partners LLC, a Connecticut limited liability company that provides research of publicly traded companies and trade execution of securities related to this research. Both firms intend to jointly pursue opportunities to underwrite offerings of securities by small and mid-sized capitalization businesses. The newly formed division will be known publicly as MKM Dillon.

The Company has a securities clearing agreement with Sterne Agee Clearing, Inc., a division of Sterne, Agee & Leach, Inc. The Company maintains a clearing deposit of \$29,281 under a separate Proprietary Account of Introducing Broker/Dealers ("PAIB") agreement.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statement of the Company has been prepared on the accrual basis of accounting.

**Revenue Recognition**

Revenue from investment advisor services is recognized when the services are rendered and related expenses are recorded when incurred. Commission income and expense from certain real estate transactions are recorded on the settlement date. Fees are recorded when earned and related expenses are recorded when incurred.

**Allowance for Doubtful Accounts**

Periodically, the Company evaluates its accounts receivable and, if applicable, provides for an allowance for doubtful accounts equal to amounts estimated to be uncollectible. The Company's estimate is based on a review of the current status of the individual accounts receivable.

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity 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, 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. Actual results could differ from those estimates.

**Income Taxes**

The Company is treated as a partnership for federal income tax purposes. Consequently, the Company is not subject to federal and state income taxes. The Company's member is liable for the Company's income and losses. Generally, the Company's tax returns are subject to examination by Federal and State authorities for a period of three years from the later of either the due date of such returns or the actual date the returns were filed. As of December 31, 2012, the Company determined that it had no uncertain tax positions which effected its financial position and its results of operation, and it will continue to evaluate for uncertain tax positions in the future.

**3. 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. In accordance with the rule, the Company is required to maintain defined minimum net capital equal to the greater of \$100,000 or 1/15 of aggregate indebtedness.

At December 31, 2012, the Company had net capital, as defined, of \$125,029, which exceeded the required minimum net capital of \$100,000 by \$25,029. Aggregate indebtedness at December 31, 2012 totaled \$31,941. The ratio of aggregate indebtedness to net capital was 0.26 to 1.

**4. Accounts Receivable**

In August 2010, the Company entered into a contract for management and advisory services in connection with a merger of two entities unrelated to the Company. Minimum contractual fees for the provision of such services amounted to \$500,000, and were recorded by the Company as an account receivable. In June 2012, the Company wrote off the receivable in its entirety as it was deemed uncollectible.

**5. Expense Allocation**

Through an agreement with the Parent, the Company was allocated certain operating expenses including occupancy, administrative salaries, communications, and office expenses in the amount of \$18,000.

**M.M. Dillon & Co. LLC**  
**Notes to Financial Statement**  
**Year Ended December 31, 2012**

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**6. Subsequent Events**

On January 23, 2013, the Parent contributed securities valued at \$120,750 for the purpose of fulfilling the Company's net regulatory requirements in lieu of cash.

The Company has evaluated subsequent events through February 20, 2013, the date the financial statements were available for issuance.

## Independent Auditors' Report

To the Member  
of M.M. Dillon & Co. LLC

We have audited the accompanying statement of financial condition of M.M. Dillon & Co. LLC, (the "Company"), as of December 31, 2012, that is 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity'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 statement.

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

### Basis for Qualified Opinion

We did not audit the Ambre Energy Ltd. receivable because information supporting its valuation and collectibility was unavailable. We were unable to satisfy ourselves about the valuation and collectibility of the Ambre Energy Ltd. receivable by means of other auditing procedures.

### Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statement referred to in the first paragraph presents fairly, in all material respects, the financial position of M.M. Dillon & Co. LLC as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.



February 20, 2013

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