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

CM

SEC FILE NUMBER

8-68332

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, 2012 AND ENDING December 31, 2012  
MM/DD/YY MM/DD/YR

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Emerging Manager Advisors, LLC  
(A Limited Liability Company)

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

130 E. 59<sup>th</sup> Street, 11<sup>th</sup> Floor

(No. and Street)

New York

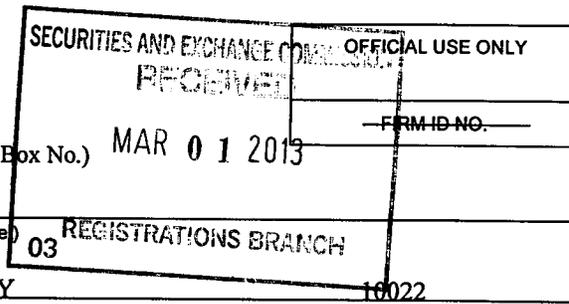
(City)

NY

(State)

10022

(Zip Code)



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

Jay Lipner

516-487-4070

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Lipner, Sofferman & Co., LLP

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

125 Jericho Turnpike, Suite 402

Jericho

NY

11753

(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 (3-91)

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Handwritten initials and date 3/12

## OATH OR AFFIRMATION

I, Robert Calamunci, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Emerging Manager Advisors, LLC (A Limited Liability Company), 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:

Signature

Title

Notary Public

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 Cash Flows.
- X (e) Statement of Changes in Member's Equity or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- X (g) Computation of Net Capital.
- (h) Computation of Determination for Reserve Requirements Pursuant to Rule 15c3-3.
- (l) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- X (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.
- X (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with focus report.
- 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.
- X (o) Auditors' Report on Internal Control Structure Required by SEC Rule 17a-5.

EMERGING MANAGER ADVISORS, LLC

(A LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS

DECEMBER 31, 2012



LIPNER, SOFFERMAN & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

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EMERGING MANAGER ADVISORS, LLC

(A LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS

DECEMBER 31, 2012

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

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**DECEMBER 31, 2012**

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## **INDEPENDENT AUDITORS' REPORT**

Emerging Manager Advisors, LLC  
(A Limited Liability Company)  
130 E. 59<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, NY 10022

### *Report on the Financial Statements*

We have audited the accompanying statement of financial condition of Emerging Manager Advisors, LLC (A Limited Liability Company) (the Company) as of December 31, 2012, and the related statements of operations, changes in member's equity, 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.

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 Emerging Manager Advisors, LLC (A Limited Liability Company) 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 supplemental information 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 supplemental information 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 the 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 supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Jericho, NY  
February 27, 2013

*Lipner, Sofferman & Co., LLP*



**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2012**

**ASSETS**

Cash	\$175,643
Accounts receivable	<u>61,733</u>
Total assets	<u>\$237,376</u>

**LIABILITIES AND MEMBER'S EQUITY**

Current liabilities:	
Accrued expenses	\$ 6,374
Total current liabilities	<u>6,374</u>
Member's equity	<u>231,002</u>
Total liabilities and member's equity	<u>\$237,376</u>

See accompanying notes to financial statements.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2012**

Income:	
Referral fees	<u>\$ 179,362</u>
Expenses:	
Professional fees	17,000
Occupancy	9,900
Regulatory fees	3,331
Other Fees	25
Insurance	903
Bank charges	80
Office	<u>1,090</u>
	<u>32,329</u>
Net income	<u>\$ 147,033</u>

See accompanying notes to financial statements.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**STATEMENT OF MEMBER'S EQUITY**

**YEAR ENDED DECEMBER 31, 2012**

Balance, January 1, 2012	\$183,969
Add: net income	147,033
Less: member distributions	<u>(100,000)</u>
Balance, December 31, 2012	<u>\$231,002</u>

See accountants' report and notes to financial statements.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2012**

Cash flows from operating activities:		
Net income		\$147,033
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Increase in accounts receivable	\$ (4,221)	
Decrease in accrued expenses	(626)	
Decrease in due to member	<u>(900)</u>	
Total adjustments		<u>(5,747)</u>
Net cash provided by operating activities		<u>141,286</u>
Cash flows from financing activities:		
Distributions to member	<u>(100,000)</u>	
Net cash (used) by financing activities		<u>(100,000)</u>
Net increase in cash and cash equivalents		41,286
Cash and cash equivalents, beginning		<u>134,357</u>
Cash and cash equivalents, ending		<u>\$175,643</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Income taxes paid during year		\$ --
Interest paid during year		\$ --

See accountants' report and notes to financial statements.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

1. **Statement of Significant Accounting Policies:**

**Organization:**

Emerging Manager Advisors, LLC (A Limited Liability Company) is a registered broker dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The company was formed in the State of Delaware on February 2, 2009 for the purpose of acting as a marketer and consultant for hedge funds, and providing investment banking and advisory services to primarily institutional clients. The company will not hold customer funds or safekeep customer securities. The company will continue until December 31, 2038 unless extended as provided for in the company's operating agreement. The company is headquartered in New York and is licensed to do business in New York.

**Concentration of Risk:**

As of December 31, 2012, the Chase bank statement indicated a balance of \$175,643. This amount is held in a non-interest bearing account. All funds in a non-interest bearing transaction account are insured in full by the Federal Deposit Insurance Corporation (FDIC) from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules.

**Cash and Cash Equivalents:**

Cash equivalents are limited to short term, highly liquid investments that are both readily convertible to known amounts of cash and of an original maturity of three months or less.

**Accounts receivable:**

Accounts receivable are non-interest bearing obligations due per referral agreement terms. Management reviews and evaluates the accounts receivable on a monthly basis to determine if any receivables will be potentially uncollectible. Management includes any accounts receivable balance that is determined to be uncollectible in its allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. As of December 31, 2012, the accounts receivable balance was evaluated by management and considered to be fully collectible and no allowance for doubtful accounts was necessary.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2012**

1. **Statement of Significant Accounting Policies (continued):**

**Use of Estimates:**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Referral Fees, Commissions and Revenue Recognition:**

Referral fees are earned from private placement of securities and brokering selling interests in unregistered private investment funds activities. Fees are earned pursuant to contract terms with clients, based on earnings and performance fees earned by the funds during the year.

**Income Taxes:**

No provision for federal and state income taxes is made in these financial statements as these taxes are the responsibility of the member under this form of organization.

2. **Net Capital Requirements:**

Emerging Manager Advisors, LLC (A Limited Liability Company) is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (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, Emerging Manager Advisors, LLC (A Limited Liability Company) had net capital of \$169,269 after adjustments for non-allowable assets, which was \$164,269 in excess of its required net capital. Emerging Manager Advisors, LLC (A Limited Liability Company)'s net capital ratio was .0377 to 1.

3. **Financial Instruments with Off-Balance Sheet Credit Risk:**

As a broker dealer, Emerging Manager Advisors, LLC (A Limited Liability Company) is engaged by third party companies to market private placement securities on their behalf. These securities are exempt from registration with the Securities and Exchange Commission under Section 4(2)-Rule D, No. 506 of the Securities Act.

Emerging Manager Advisors, LLC (A Limited Liability Company) does not have any credit exposure associated with the Qualified Investors it introduces as a third party marketer to its customers.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2012**

4. **Commitments and Contingencies:**

The company had no significant contingent liabilities requiring disclosure in the financial statements.

5. **Related Party Transactions:**

The company's member provides the company with certain administrative support services on a month to month basis, as well as, pays expenses on a reimbursable basis for the company. Expenses under this arrangement amounted to \$9,900 for the year ended December 31, 2012.

The company is owned by a single member, Emerging Manager, LLC. The company's president and chief executive officer owns 83.5% of Emerging Manager, LLC.

**SUPPLEMENTARY INFORMATION**

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**COMPUTATION OF NET CAPITAL UNDER S.E.C. RULE 15c3-1**

**DECEMBER 31, 2012**

**Computation of net capital**

Member's equity	\$231,002
Less:	
Non-allowable assets - accounts receivable	<u>(61,733)</u>
Net capital	<u>\$169,269</u>

**Computation of basic net capital requirement**

Minimum net capital requirements - the greater of \$5,000 or 6-2/3% of aggregate indebtedness \$ 5,000

Excess net capital \$164,269

**Computation of aggregate indebtedness**

Total A.I. liabilities \$ 6,374

Percentage of aggregate indebtedness to net capital 3.77%

There are no material differences between the computation of net capital presented above and the computation of net capital in the Company's unaudited Form X-17A-5, Part II-A filing as of December 31, 2012.

**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**

**AND INFORMATION RELATING TO POSSESSION AND CONTROL**

**REQUIREMENTS UNDER RULE 15c3-3 OF THE**

**SECURITIES AND EXCHANGE COMMISSION**

**DECEMBER 31, 2012**

The Company is exempt from Securities Exchange Commission ("SEC") Rule 15c3-3 pursuant to the exemptive provisions of sub-paragraph (k)(2)(i) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."



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**INDEPENDENT AUDITORS'**  
**REPORT ON INTERNAL CONTROL STRUCTURE**  
**REQUIRED BY SEC RULE 17a-5**

Emerging Manager Advisors, LLC  
(A Limited Liability Company)  
130 E. 59<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, NY 10022

In planning and performing our audit of the financial statements of Emerging Manager Advisors, LLC (A Limited Liability Company) (the Company), 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 financial statements, but 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 periodic computations of aggregate indebtedness (or aggregate debts) 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 previously 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 *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 and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a 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.

This report is intended solely for the information and the use of Emerging Manager Advisors, LLC (A Limited Liability Company), the Securities and Exchange Commission, the Financial Industry Regulatory Authority and other regulatory agencies which 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.



LIPNER, SOFFERMAN & CO., LLP

Jericho, NY  
February 27, 2013





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**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON**  
**PROCEDURES RELATED TO THE SIPC ASSESSMENT RECONCILIATION**  
**REQUIRED BY SEC RULE 17a-5**

To the Member of Emerging Manager 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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by Emerging Manager Advisors, LLC ("the Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, and other designated examining authority or specific parties of report, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). 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-7 with respective cash disbursement records noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012 with the amounts reported in Form SIPC-7 for the year ended December 31, 2012 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 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 the Company's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). 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.

*Lipner, Sofferman & Co., LLP*

LIPNER, SOFFERMAN & CO., LLP

Jericho, NY  
February 27, 2013



**EMERGING MANAGER ADVISORS, LLC**

**(A LIMITED LIABILITY COMPANY)**

**SCHEDULE OF SECURITIES INVESTOR PROTECTION CORPORATION**

**ASSESSMENTS AND PAYMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>SIPC Net Operating Revenues per General Assessment Reconciliation Form SIPC-7</b>	<b><u>\$ 179,362</u></b>
<b>General Assessments at .0025</b>	<b>\$ 448</b>
<b>Payment Remitted with Form SIPC-6</b>	<b><u>164</u></b>
<b>Amount due With Form SIPC-7</b>	<b><u>\$ 284</u></b>