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

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

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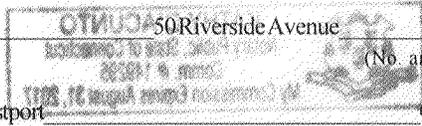
Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2012 AND ENDING December 31, 2012 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Osprey Partners, LLC

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



Westport (City)

CT (State)

06880 (Zip Code)

OFFICIAL USE ONLY FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Matt Rebold 203-226-7432 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Halpern & Associates, LLC

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

218 Danbury Road (Address)

Wilton (City)

CT (State)

06897 (Zip Code)

CHECK ONE:

- [X] 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)

DD 314/13

OATH OR AFFIRMATION

I,                     Matt Rebold                    , swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of                     Osprey Partners, 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:

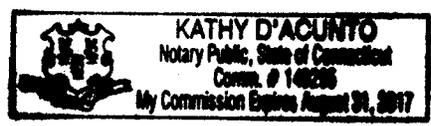
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten Signature]*

Signature

                    Managing Partner                      
Title

*[Handwritten Signature: Kathy D'Acunto]*  
\_\_\_\_\_  
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 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.

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

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OSPREY PARTNERS, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

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**PUBLIC**



# **Halpern & Associates, LLC**

Certified Public Accountants and Consultants

218 Danbury Road • Wilton, CT 06897 • (203) 210-7364 • FAX (203) 210-7370 • [info@Halpernassoc.com](mailto:info@Halpernassoc.com)

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Osprey Partners, LLC

### **Report on the Statement of Financial Condition**

We have audited the accompanying statement of financial condition of Osprey Partners, LLC (the "Company") and the related notes as of December 31, 2012 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934.

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

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 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 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 this financial statement is free of 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 risk of material misstatement of this financial statement, 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 this 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 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 this financial statement.

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 statement referred to above presents fairly, in all material respects, the financial position of Osprey Partners, LLC as of December 31, 2012, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Halperin & Associates, LLC*

Wilton, Connecticut  
February 20, 2013

OSPREY PARTNERS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

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ASSETS

Cash and cash equivalents	\$ 24,291
Fees receivable	123,365
Other assets	<u>8,170</u>
 TOTAL ASSETS	 <u><u>\$ 155,826</u></u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES	
Pension	\$ 156,521
Accrued expenses and other liabilities	<u>3,146</u>
 TOTAL LIABILITIES	 159,667
 MEMBERS' EQUITY	 <u>(3,841)</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 155,826</u></u>

The accompanying notes are an integral part of this statement.

## OSPREY PARTNERS, LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2012

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#### 1. ORGANIZATION AND NATURE OF BUSINESS

Osprey Partners, LLC (the Company) was organized in the State of Connecticut in December 1994, began doing business as a registered broker-dealer in securities with the Securities and Exchange Commission in December 1995 and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company was organized primarily to provide marketing services under written contracts with investment management organizations.

The Company's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker/dealer, clearing organization, fund manager, customer and/or other counterparty with which it conducts business.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The Company maintains its books and records on an accrual basis in accordance with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates

The Company's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash with quality financial institutions. At times, cash balances may be in excess of balances insured by FDIC.

#### 3. CASH AND CASH EQUIVALENTS

The Company maintains cash and cash equivalents with financial institutions. Funds deposited with a single bank are insured up to \$250,000 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC"). The Company considers all highly liquid instruments purchased with a maturity date of three months or less when purchased to be cash equivalents. Cash and cash equivalents include \$10,588 invested in certificates of deposit

#### 4. REVENUE CONCENTRATION

The Company provides marketing services for investment management organizations. One customer generated a significant portion of the Fee Income reported in the Statement of Income in 2012.

OSPREY PARTNERS, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

DECEMBER 31, 2012

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4. REVENUE CONCENTRATION (continued)

The revenue concentration is summarized as follows:

Total fee income	\$259,159
Concentrated revenue	129,383
Percentage of total fee income	49.92%

5. COMMITMENT

The Company leases office space under a non-cancelable lease agreement. The lease expires June 30, 2013 and contains provisions for escalations based on increases in certain costs incurred by the lessor. Future minimum rent payments on the lease due in 2013 are \$7,968.

6. RELATED PARTY

For the year ended December 31, 2012, the Company paid Osprey Management, LLC, a company owned by the members of the Company, expense reimbursements and commission totaling \$53,902. As of December 31, 2012, there was no amount due by the Company to Osprey Management, LLC.

7. PENSION PLAN

The Company has a defined benefit pension plan, with a December 31<sup>st</sup> year-end, covering all qualified employees. Contributions to the plan are discretionary and are determined annually by the Company. The financial statements for the year ended December 31, 2012, include an expense of \$141,018 relating to this plan.

Additionally, the Company has a 401(K) profit sharing plan, with a December 31<sup>st</sup> year-end, covering all qualified employees. Contributions to the plan by employees are determined based on an elected percentage of annual compensation, subject to annual limits prescribed by the IRS Code. Matching contributions to the plan are discretionary and are determined annually by the Company. Contributions to the plan for the year ended December 31, 2012 totaled \$15,503.

## OSPREY PARTNERS, LLC

### NOTES TO FINANCIAL CONDITION (continued)

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

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#### 8. INCOME TAXES

The Company is recognized as a Limited Liability Company (an "LLC") by the Internal Revenue Service. As an LLC, the Company is not subject to income taxes. The Company's income or loss is reportable by its members on their individual tax returns based on methodology prescribed in the Company's Operating Agreement.

FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the year ended December 31, 2012 management has determined that there are no material uncertain income tax positions.

#### 9. RULE 15C3-3

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(i) in that the Company carries no customer accounts.

#### 10. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Net Capital 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 \$21,119 which exceeded the minimum requirement of \$5,000 by \$16,119. The Company's ratio of aggregate indebtedness to net capital ratio was .15 to 1

#### 11. LIABILITIES SUBORDINATED TO THE CLAIMS OF GENERAL CREDITORS

As of December 31, 2012, the Company had not entered into any subordinated loans agreements.

#### 12. SUBSEQUENT EVENTS

Events have been evaluated through February 20, 2013, the date that these financial statements were available to be issued, and no further information is required to be disclosed.