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

| OMB APPROVAL  |                |
|---|----------------|
| OMB Number:   | 3235-0123      |
| Expires:  | March 31, 2016 |
| Estimated average burden<br>hours per response..... | 12.00          |

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

SEC  
Mail Processing  
Section  
MAR 04 2014  
Washington DC

| SEC FILE NUMBER |
|-----------------|
| 67313           |

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 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Advanced Advisor Group, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
440 Emerson Street North, Suite 4

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO.     |

(No. and Street)  
Cambridge MN 55008  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Dorothy Fuller (763) 552-6047  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Baker Tilly Virchow Krause, LLP

(Name - if individual, state last, first, middle name)  
225 South Sixth Street, Suite 2300 Minneapolis MN 55402  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

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|-----------------------|
|                       |

\*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)

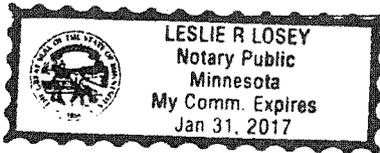
SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Dorothy Fuller, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Advanced Advisor Group, LLC, as of December 31, 2013, 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:



Dorothy Fuller
Signature
AFO
Title

Leslie R. Losey
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.

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

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\*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)

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Section

MAR 04 2014

Washington DC  
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**ADVANCED ADVISOR GROUP, LLC**

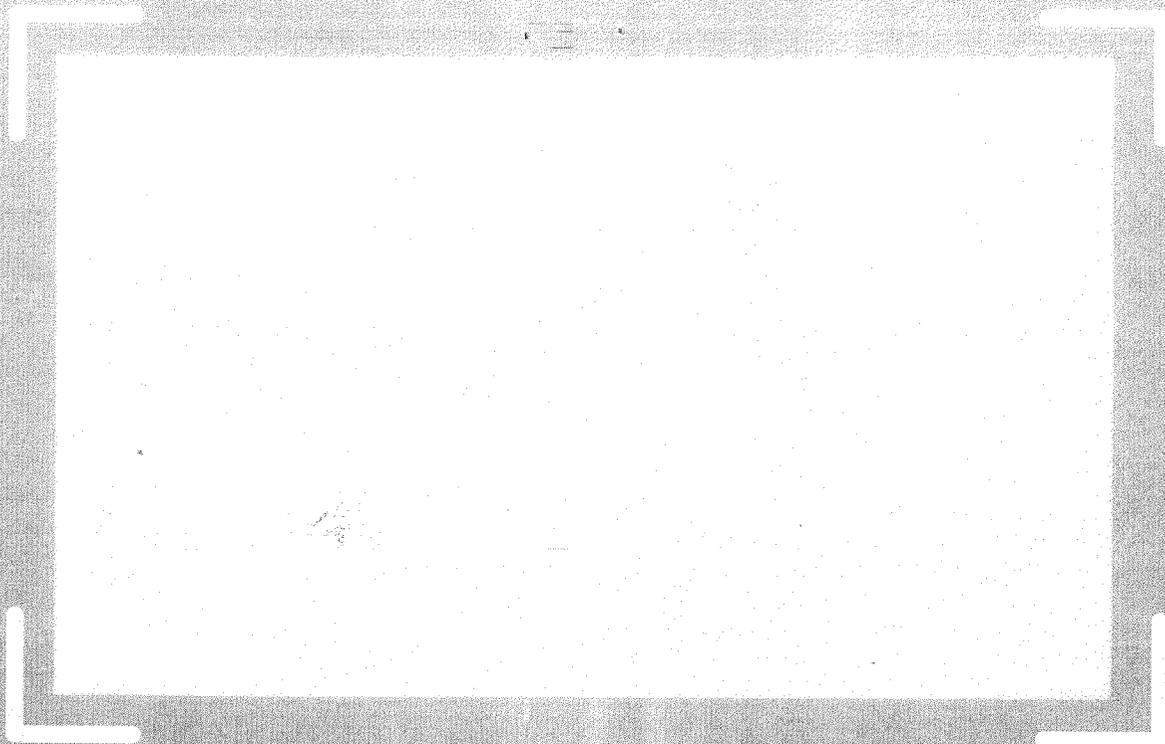
(A Limited Liability Company)

Cambridge, Minnesota

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2013 and 2012



**BAKER TILLY**

Candor. Insight. Results.

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

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## INDEPENDENT AUDITORS' REPORT

Sole Member  
Advanced Advisor Group, LLC  
Cambridge, Minnesota

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Advanced Advisor Group, LLC (the "Company"), which comprise the statements of financial condition as of December 31, 2013 and 2012, and the related statements of income, member's equity, and cash flows for the years 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 of material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 Advanced Advisor Group, LLC as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on page 9 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Minneapolis, Minnesota  
February 19, 2014

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

STATEMENTS OF FINANCIAL CONDITION  
As of December 31, 2013 and 2012

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|  | <u>2013</u>       | <u>2012</u>       |
|--|-------------------|-------------------|
| <b>ASSETS</b>                                |                   |                   |
| <b>CASH AND CASH EQUIVALENTS</b>             | \$ 226,293        | \$ 162,244        |
| <b>COMMISSIONS RECEIVABLE</b>                | 233,411           | 273,635           |
| <b>PREPAID INSURANCE</b>                     | 1,903             | 2,141             |
| <b>EQUIPMENT, NET</b>                        | <u>-</u>          | <u>662</u>        |
| <b>TOTAL ASSETS</b>                          | <u>\$ 461,607</u> | <u>\$ 438,682</u> |
| <b>LIABILITIES AND MEMBER'S EQUITY</b>       |                   |                   |
| <b>LIABILITIES</b>                           |                   |                   |
| Accounts payable                             | \$ -              | \$ 478            |
| Accrued commissions                          | 193,365           | 195,770           |
| Related party payables                       | <u>80,078</u>     | <u>112,659</u>    |
| <b>TOTAL LIABILITIES</b>                     | 273,443           | 308,907           |
| <b>MEMBER'S EQUITY</b>                       | <u>188,164</u>    | <u>129,775</u>    |
| <b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b> | <u>\$ 461,607</u> | <u>\$ 438,682</u> |

See accompanying notes to financial statements.

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

STATEMENTS OF OPERATIONS  
For the Years Ended December 31, 2013 and 2012

---

|                                      | <u>2013</u>         | <u>2012</u>         |
|--------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                      | <u>\$ 2,706,558</u> | <u>\$ 2,597,944</u> |
| <b>EXPENSES</b>                      |                     |                     |
| Agent commissions                    | 2,395,086           | 2,335,728           |
| Other administrative expenses        | <u>253,274</u>      | <u>282,768</u>      |
| <b>TOTAL EXPENSES</b>                | <u>2,648,360</u>    | <u>2,618,496</u>    |
| <b>INCOME (LOSS) FROM OPERATIONS</b> | 58,198              | (20,552)            |
| <b>OTHER INCOME</b>                  | <u>191</u>          | <u>273</u>          |
| <b>NET INCOME (LOSS)</b>             | <u>\$ 58,389</u>    | <u>\$ (20,279)</u>  |

See accompanying notes to financial statements.

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

STATEMENTS OF MEMBER'S EQUITY  
For the Years Ended December 31, 2013 and 2012

---

|                                   |                   |
|-----------------------------------|-------------------|
| <b>BALANCE, December 31, 2011</b> | \$ 150,054        |
| 2012 net loss                     | <u>(20,279)</u>   |
| <b>BALANCE, December 31, 2012</b> | 129,775           |
| 2013 net income                   | <u>58,389</u>     |
| <b>BALANCE, December 31, 2013</b> | <u>\$ 188,164</u> |

See accompanying notes to financial statements.

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2013 and 2012

---

|   | <u>2013</u>       | <u>2012</u>       |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                   |                   |
| Net income (loss)   | \$ 58,389         | \$ (20,279)       |
| Adjustments to reconcile net income (loss) to net cash flows from operating activities: |                   |                   |
| Depreciation  | 662               | 1,717             |
| Changes in operating assets and liabilities:  |                   |                   |
| Commissions receivable  | 40,224            | (30,261)          |
| Prepaid insurance   | 238               | 5                 |
| Accounts payable  | (478)             | (447)             |
| Accrued commissions   | (2,405)           | 24,095            |
| Related party payables  | <u>(32,581)</u>   | <u>16,223</u>     |
| Net Cash Flows from Operating Activities  | <u>64,049</u>     | <u>(8,947)</u>    |
| <br>  |                   |                   |
| <b>Net Change in Cash and Cash Equivalents</b>  | 64,049            | (8,947)           |
| <br>  |                   |                   |
| CASH AND CASH EQUIVALENTS - Beginning of Year   | <u>162,244</u>    | <u>171,191</u>    |
| <br>  |                   |                   |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | <u>\$ 226,293</u> | <u>\$ 162,244</u> |

See accompanying notes to financial statements.

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2013 and 2012

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**NOTE 1 - Summary of Significant Accounting Policies**

---

*Nature of Business*

Advanced Advisor Group, LLC (the Company), is a Minnesota-based LLC with an infinite life that conducts business using a k(1) exemption as a securities broker-dealer and is a member firm of the Financial Industry Regulatory Authority (FINRA). The Company received permission to operate as a member firm with restrictions as outlined in its membership agreement in October 2006. The Company does not and may not acquire, hold or trade securities inventory. It acts solely as a broker of mainly variable annuities, mutual funds and 529 accounts.

*Cash and Cash Equivalents*

The Company defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The Company maintains its cash in financial institutions and money market mutual funds. The balances, at times, may exceed federally insured limits.

*Commissions Receivable*

Commissions receivable are unsecured and no allowance for doubtful accounts is considered necessary as of December 31, 2013 and 2012.

*Depreciation and Amortization*

Property and equipment are recorded at cost and depreciated using the straight-line method over estimated useful lives of five years. Maintenance, repairs and minor renewals are expensed when incurred. Depreciation expense was \$662 and \$1,717 for the years ended December 31, 2013 and 2012.

*Revenue Recognition and Related Expenses*

Commission income and expenses are recorded on a trade-date basis.

*Income Taxes*

The Company is a single member limited liability company classified as a "disregarded entity" for income tax purposes. Accordingly, these financial statements do not include any provision or liability for income taxes since the income and expenses are reported on the individual income tax returns of the sole member and the applicable income taxes, if any, are paid by the member.

With few exceptions, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for the years before 2010. The Company is not currently under examination by any taxing jurisdiction. In the event of any future tax assessments, the Company has elected to record the income taxes and any related interest and penalties as income tax expense on the Company's statements of operations.

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2013 and 2012

---

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

---

*Management's 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

---

**NOTE 2 - Net Capital Requirements**

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The Company is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed fifteen to one. Net capital and the related net capital ratio fluctuate on a daily basis. As of December 31, 2013 and 2012, the net capital ratio was 1.47 to 1.0 and 2.43 to 1.0 and net capital was \$186,261 and \$126,972, which was \$168,033 and \$106,380 in excess of its minimum requirement of \$18,228 and \$20,592.

No material differences exist between the net capital calculated above and the net capital computed and reported in the Company's December 31, 2013 FOCUS filing. Per Rule 15c3-3 of the SEC Uniform Net Capital Rule, the Company is exempt under the k(1) exemption.

---

**NOTE 3 - Related Parties**

---

The Company has an agreement with Educators Financial Services (EFS), which is not a registered company, to pay a percentage of shared expenses. EFS is related by common ownership. Shared expenses include office rent, office supplies and a percentage of salaries. Shared expenses incurred by the Company were \$158,976 and \$198,791 for the years ended December 31, 2013 and 2012. Shared expenses due to EFS were \$232 and \$260 as of December 31, 2013 and 2012 and are included in related party payables. The Company has an agreement to pay commissions to EFS based on commissions earned. Commissions paid to EFS for the years ended December 31, 2013 and 2012 were \$904,159 and \$766,828. Commissions due to EFS were \$79,846 and \$90,190 as of December 31, 2013 and 2012 and are included in related party payables.

The Company has an agreement to pay commissions to Financial Resources (FR), a company related by common ownership, based on commissions earned. Commissions paid to FR for the years ended December 31, 2013 and 2012 were \$0 and \$139,286. Commissions due to FR were \$0 and \$22,208 as of December 31, 2013 and 2012 and are included in related party payables.

---

**NOTE 4 - Subsequent Events**

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The Company has evaluated subsequent events occurring through February 19, 2014, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the Company's financial statements.

**SUPPLEMENTARY INFORMATION**

**ADVANCED ADVISOR GROUP, LLC**  
(A Limited Liability Company)

COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS UNDER  
RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION  
As of December 31, 2013

---

**COMPUTATION OF NET CAPITAL**

|   |                   |
|---|-------------------|
| Total member's equity                               | \$ 188,164        |
| Deductions and/or charges:<br>Prepaid insurance     | <u>1,903</u>      |
| Total non-allowable assets                          | <u>1,903</u>      |
| Net capital before haircuts on securities positions | 186,261           |
| Haircuts on securities positions                    | <u>-</u>          |
| Net capital   | <u>\$ 186,261</u> |

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

|   |                   |
|---|-------------------|
| Total liabilities from statement of financial condition | <u>\$ 273,443</u> |
|---|-------------------|

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

|  |                   |
|--|-------------------|
| Minimum net capital requirement (greater of \$5,000 or aggregated indebtedness times 6 2/3%) | <u>\$ 18,228</u>  |
| Excess net capital at 1,500 percent  | <u>\$ 168,033</u> |
| Excess net capital at 1,000 percent  | <u>\$ 158,917</u> |
| Ratio: Aggregate indebtedness to net capital   | <u>1.47 to 1</u>  |

**REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1)  
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

Sole Member  
Advanced Advisor Group, LLC  
Cambridge, Minnesota

In planning and performing our audit of the financial statements of Advanced Advisor Group, LLC (the "Company") as of and for the year ended December 31, 2013 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 computation of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of the 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, 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. However, we identified a certain deficiency in internal control that we consider to be a significant deficiency. There is a lack of segregation of duties in the accounting department. Additionally, there are no controls in place to compensate for the lack of segregation of duties. Without appropriate segregation of duties, or compensating controls within the accounting department, it is possible the Company may not be able to successfully prevent an error or misstatement from occurring. We communicated this in writing to management and the sole member on February 19, 2014.

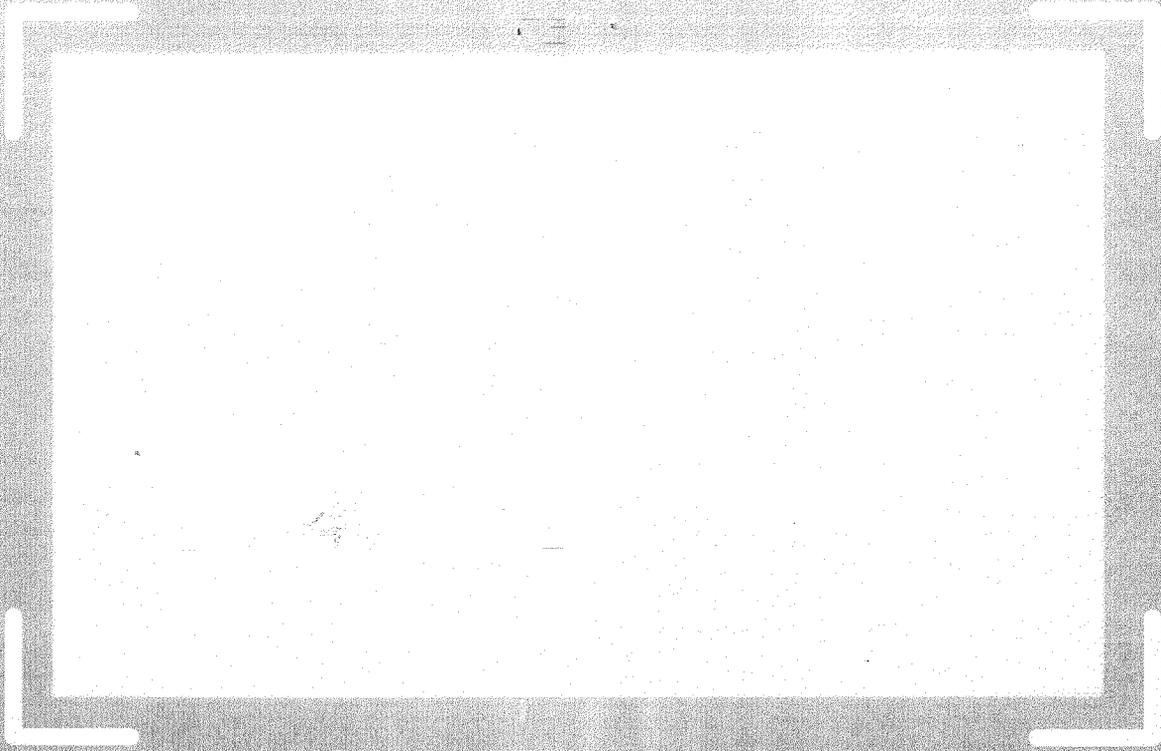
We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that 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, 2013, to meet the SEC's objectives.

This report is intended solely for the information and use of the sole member, 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.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota  
February 19, 2014





**BAKER TILLY**

Candor. Insight. Results.

SEC  
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Section

MAR 04 2014

Washington DC  
404

**ADVANCED ADVISOR GROUP, LLC**

Cambridge, Minnesota

Agreed Upon Procedures

Including Form SIPC-7

December 31, 2013

# ADVANCED ADVISOR GROUP, LLC

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| Form SIPC-7   | 2-3 |



BAKER TILLY

Baker Tilly Virchow Krause, LLP  
225 S Sixth St, Ste 2300  
Minneapolis, MN 55402-4661  
tel 612 876 4500  
fax 612 238 8900  
bakertilly.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S  
SIPC ASSESSMENT RECONCILIATION

Sole Member  
Advanced Advisor Group, LLC  
Cambridge, Minnesota

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 [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2013, which were agreed to by Advanced Advisor Group, LLC (the company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the company's compliance with the applicable instructions of the General 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 entries, including copies of cancelled checks, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2013, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2013, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, including general ledger detailed reports, noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, including general ledger detailed reports 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 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.

*Baker Tilly Virchow Krause, LLP*

Minneapolis, Minnesota  
February 19, 2014

**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 12/31/2013

(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:

067313 FINRA DEC  
ADVANCED ADVISOR GROUP LLC 15\*15  
440 EMERSON ST N STE 4  
CAMBRIDGE MN 55008-1320

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)

\$ 6966

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

( 3130 )

7/24/13  
Date Paid

C. Less prior overpayment applied

( 0 )

D. Assessment balance due or (overpayment)

3636

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

0

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 3636

G. PAID WITH THIS FORM:

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

\$ 3636

H. Overpayment carried forward

\$( \_\_\_\_\_ )

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.

Advanced Advisor Group  
(Name of Corporation, Partnership or other organization)  
[Signature]  
(Authorized Signature)  
CFO  
(Title)

Dated the 23<sup>rd</sup> day of January, 20 14.

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 \_\_\_\_\_  
Exceptions:  
Disposition of exceptions:

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

Amounts for the fiscal period  
beginning 1/1/2013  
and ending 12/31/2013

**Item No.**

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

Eliminate cents  
\$ 2,706,749

**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):

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

193

(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. \$ \_\_\_\_\_

(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

193  
2,706,556  
10766

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

(to page 1, line 2.A.)

