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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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



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

SEC FILE NUMBER
B-42750

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 01/01/14 AND ENDING 12/31/14  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CHILIAN PARTNERS LP  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
1701 S. Flagler Drive - Suite 1001

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

West Palm Beach Florida 33401-5415  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Mr. Donald Denton (561-833-2700)  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Sidney W. Azriliant, CPA, P.C. (212-869-8223)  
(Name - if individual, state last, first, middle name)

501 Fifth Avenue - 15th Fl, New York New York 10017  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- Certified Public Accountant
- 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)

tr  
4/29

tr  
4/29

OATH OR AFFIRMATION

I, DONALD W. DENTON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Chilian Partners, L.P., as of December 31, 2014, 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:

No Exceptions

Signature of Donald W. Denton

GENERAL PARTNER Title

Notary Public signature

ANDREW KIRWIN Notary Public, State of New York No. 0291500902 Qualified in Westchester County Commission Expires March 22, 2019

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.

X (o) SSOI SUPPLEMENTAL STATEMENT OF INCOME

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

**CHILIAN PARTNERS, L.P.**  
*(A Limited Partnership)*

**AUDITED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2014

**Sidney W. Azriliant, CPA, P.C.**

501 Fifth Avenue – 15<sup>th</sup> Floor  
New York, New York 10017

Telephone: (212) 869-8223 / Facsimile: (212) 840-2540

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- EXHIBIT C** Statement of Partners' Capital Accounts for the Year ended December 31, 2014
- EXHIBIT D** Statement of Cash Flows -- Year ended December 31, 2014

### **Notes to Financial Statements**

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2. Information relating to the Possession or Control Requirements under Rule 15c3-3
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7. Supplemental Schedule to Focus Report S/S

**EXHIBIT A.**  
**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*  
**STATEMENT OF FINANCIAL CONDITION**  
*As of December 31, 2014*

**ASSETS**

Cash and Equivalents	\$ 1,608
Long Market Value / Equity Securities	8,116,500
Accrued Interest & Dividends	<u>24,000</u>

<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 8,142,108</u></b>
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**LIABILITIES AND PARTNERS' CAPITAL**

**LIABILITIES**

Due To Clearing Broker Clearance Account	<u>\$1,252,227</u>
--	--------------------

<b><u>TOTAL LIABILITIES</u></b>	<b><u>\$1,252,227</u></b>
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Partners Capital Accounts	<u>\$6,889,881</u>
---------------------------	--------------------

<b><u>TOTAL LIABILITIES AND PARTNERS' CAPITAL ACCOUNTS</u></b>	<b><u>\$ 8,142,108</u></b>
--	----------------------------

The accompanying notes are an integral part of these financial statements.

**EXHIBIT B.**

**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*

**STATEMENT OF INCOME**

*For the Year Ended December 31, 2014*

**Gross Income**

Net Security Dealer Trading Gains Marked to Market \$ 1,558,948

**TOTAL GROSS INCOME** 1,558,948

**Expenses**

Management Fees -- General Partner (See Notes 3 & 4) 117,681  
Miscellaneous Expense 183  
Professional Fees 21,048  
Regulatory Fees and Assessments 6,606

**TOTAL EXPENSES** 145,518

**NET INCOME** \$ 1,413,430

The accompanying notes are an integral part of these financial statements.

Sidney W. Azriliant, CPA, P.C.

**EXHIBIT C.**

**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*

**STATEMENT OF PARTNERS' CAPITAL ACCOUNTS**

*For the Year Ended December 31, 2014*

	<b><u>LIMITED PARTNERS</u></b>	<b><u>GENERAL PARTNERS</u></b>	<b><u>TOTAL</u></b>
Balance at January 1, 2014	\$ 603,381	\$ 5,163,070	\$ 5,766,451
Net Income (Exhibit B)	119,652	1,293,778	1,413,430
Capital Contributions by Partners	-	-	-
Withdrawals by Partners	-	(290,000)	(290,000)
<b>Balance at December 31, 2014</b>	<b><u>\$ 723,033</u></b>	<b><u>\$ 6,166,848</u></b>	<b><u>\$ 6,889,881</u></b>

The accompanying notes are an integral part of these financial statements.

Sidney W. Azriliant, CPA, P.C.

**EXHIBIT D.**

**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*

**STATEMENT OF CASH FLOWS**

*For the Year Ended December 31, 2014*

Cash Increase from Operating Activities Net Income (see Exhibit "B") \$ 1,413,430

**Adjustment to Reconcile Net Income (Loss) to Net Cash by Operating Activities:**

**Net Change in Assets & Liabilities For Year:**

	<u>Increase to</u> <u>Cash</u>	<u>Decrease to</u> <u>Cash</u>	
Decrease in Due from Broker Clearance Account	\$ 5,704,378		
Increase in Due to Broker-Clearance	<u>1,252,227</u>		
Increase in Securities at Market Value		<u>8,116,500</u>	
	<u>6,956,605</u>	<u>8,116,500</u>	<u>(1,159,895)</u>
<b>Increase in Cash from Operations</b>			<b>253,535</b>

**Cash Flows from Financing Activities:**

Net Cash Withdrawals by Partners (see Exhibit "C")	(290,000)	
Net Cash Contributions by Partners (Exhibit "C")		
<b>Decrease in Cash from Financing Activities</b>		<u>(290,000)</u>

**NET DECREASE IN CASH:** (36,465)

Cash - Beginning of year	<u>38,073</u>
Cash - End of Year - December 31, 2014	<u>\$ 1,608</u>

The accompanying notes are an integral part of these financial statements.

**Supplemental Statement 1**  
**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*  
**COMPUTATION OF NET CAPITAL**  
*At December 31, 2014*

Ownership Equity as per Statement of Financial Condition and Net Capital before Non-Allowable Assets and Haircuts on Securities Positions	\$ 6,889,881
*Haircuts on Securities	<u>2,331,601</u>
<b><u>Net Capital Per Part IIA -- Page 10</u></b>	<b><u>\$ 4,558,280</u></b>

No material difference exists between our audit report for the year ending December 31, 2014 and the Focus Report X-17A-5 as of December 31, 2014.

**CHILIAN PARTNERS, L.P.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

The Limited Partnership is an Operating Broker Dealer and is a market maker in convertible and government securities. The Partnership terminates December 31, 2018.

**1. Securities and commodities transactions of the Partnership are recorded on a trade date basis.**

Securities are valued at market or at fair value as determined by management. The resulting difference between cost and market (or fair value) is included in income.

Repurchase and resale agreements are treated as financing transactions and are carried at the amounts at which the securities will be subsequently reacquired or resold as specified in the respective agreements.

Intangible assets have been fully amortized, using an estimated useful life of five years.

The indirect method was used for preparing the statement of cash flow.

**2. Securities Owned and Securities Sold But Not Yet Purchased.**

Marketable securities owned, and sold but not yet purchased, consist of trading securities at market values.

	<u>Owned</u>	<u>Sold But Not Yet Purchased</u>
Corporate stocks and options at Market Value	\$8,116,500	NONE

**3. Management Fees.**

Management fees are paid to the General Partner quarterly based upon an annual rate of 2% of the net assets of the Partnership.

**4. Incentive Management Fees.**

Incentive management fees are paid to the general partner based on the performance of the partnership. For the year 2014, the general partner received an incentive management fee of \$290,000 which is reflected in Capital Account withdrawals..

**5. Income Taxes.**

Since the Company is a partnership, it is not liable for income taxes. Income taxes incurred due to the income of the partnership are the responsibility of the individual partners.

**6. Haircuts on Securities.**

There were two types of Haircuts on Securities Normal Haircuts of \$1,217,475 and Undue Concentration Haircuts of \$1,114,126 with security position on December 31, 2014.

## **7. Valuation of Investments in Securities and Securities at Fair Value – Definition and Hierarchy**

In accordance with GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for Inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable Inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on more judgment. Those estimated valuations do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, Those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company’s own assumptions are set to

reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

## Valuation Techniques

### Investments in Securities

7.1 The Company values investments in securities that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year.

### 7.2 Fair Value measurements

The Company's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in the Company's significant accounting policies in Note 1.

The following table presents information about the Company's assets measured at fair value as of December 31, 2014.

	Quoted Prices In Active Markets for (Level 1)	Significant Other Observable (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2014
Assets (at fair value)				
CASH	\$1,608			\$1,608
INVESTMENT IN SECURITIES				
COMMON STOCK	\$8,116,500			\$8,116,500
ACCRUALS			\$24,000	\$24,000
TOTAL ASSETS	<u>\$8,118,108</u>		<u>\$24,000</u>	<u>\$8,142,108</u>
LIABILITIES				
DUE TO CLEARING BROKER – CLEARANCE ACCOUNT	<u>\$1,252,227</u>			<u>\$1,252,227</u>

## 8. Net Capital requirement

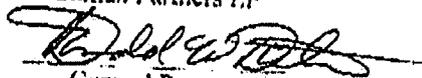
The Company, as a member of FINRA, is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2014 the Company's net capital was approximately \$4,558,000.

CHILIAN PARTNERS LP  
Exemption Report  
December 31, 2014

Chilian Partners LP asserts, to its best knowledge and belief, the following:

- (1) Chilian Partners LP, claims an exemption from § 240.15c3-3 under section (k)(2)(ii) which applies to broker-dealers who, as introducing broker-dealers, clear all customer transactions on a fully-disclosed basis with a clearing broker-dealer, and who promptly transmit all customer funds and securities to such clearing broker-dealer. In these arrangements, the clearing broker-dealer carries all of the customer accounts of the introducing broker-dealer and maintains and preserves such books and records related to customer accounts as required by SEC Rules 17a-3 and 17a-4.
- (2) Chilian Partners LP has met such exemption provisions in § 240.15c3-3 (k)(2)(ii) throughout the most recent fiscal year without exception.

Chilian Partners LP



General Partner

Date: January 12, 2015

TEL. (212) 869-8223

FAX (212) 840-2540

**SIDNEY W. AZRILIAN, CPA, P.C.**  
501 Fifth Avenue - 15<sup>th</sup> Floor, New York, NY 10017

February 25, 2015

SECURITIES AND EXCHANGE COMMISSION  
and  
FINRA

Re: Chilian Partners, L.P.  
SEC File No. 8-42750  
Audit at 12/31/14

Gentlemen:

The Company is exempt from the 15c3-3 Reserve Requirement computation and Possession or Control Requirements because the firm has no "customers" as same are defined in Rule 15c3-3(a)(1) and, accordingly, the firm does not perform custodial functions relating to customer securities as same is defined in Rule 15c3-3(b)(c). Therefore, the firm is not subject to (i.e. is exempt from) Rule 15c3-3's Reserve Requirement Computation and Possession for Control Requirements. Additionally, pursuant to rule 7a-5(g)(iv)(2), no facts have come to our attention which would indicate that such "exemption" has not been complied with during the period of our audit, i.e. no facts have come to our attention that during such period the firm had "customers" as same are defined in Rule 15c3-3(a)(1).

Our firm has examined the Exemption Report Section 240.15c3-3 et al prepared by Chilian Partners LP. in accordance with PCAOB standards and find the Exemption Report to be completely true and accurate. This is in addition to all prior reports included in the financial statements.

The firm neither had Liabilities subordinated to Claims of General Creditors at December 31, 2014 nor the prior year, December 31, 2013; hence, there were no such liabilities or change to such liabilities Subordinated to Claims of General Creditors pursuant to SEC Rule 17a-5(d)(2).

Very truly yours,  
SIDNEY W. AZRILIAN, CPA, P.C.



Sidney W. Azriliant



SECURITIES INVESTOR PROTECTION CORPORATION  
805 FIFTEENTH STREET, N.W., SUITE 800  
WASHINGTON, D.C. 20005-2215  
(202) 371-8300 FAX (202) 371-6728  
WWW.SIPC.ORG

February 6, 2015  
8-042750

CHILIAN PARTNERS LP  
P.O. BOX 2685  
PALM BEACH, FL 33480

Dear :

Our review of the Form SIPC-7 received on January 30, 2015 indicates that corrective action is necessary. Your immediate response, if required, will preclude our having to commence delinquency procedures which include, where applicable, the mailing of a SIPA Section 78jjj(a) Notice.

Exceptions noted:

- Assessment computation incorrect
- Payment due
- Correctively edited for your information
- Assessment balance due of \$111.75. Please remit this amount within 10 days. Thank you.

If you have any questions in this regard, please call the undersigned.

Very truly yours,

  
Linda McKenzie Niemi  
Manager, Member Assessments

Enclosures:

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 12/31/2014  
(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:

17\*17\*\*\*\*\*2350\*\*\*\*\*MIXED AADC 220  
042750 FINRA DEC  
CHILIAN PARTNERS LP  
PO BOX 2085  
PALM BEACH FL 33480-2685

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.

133<sup>79</sup>

2. A. General Assessment (item 2c from page 2)

s/b 245<sup>54</sup> \$ 133.79

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

Date Paid

C. Less prior overpayment applied

COPY ( - 0 - )

D. Assessment balance due or (overpayment if)

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

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

s/b 245<sup>54</sup> \$ 133.79

G. PAID WITH THIS FORM:

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

\$ 133.79 BALANCE DUE  
\$ 111.75

H. Overpayment carried forward

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

paid 2/11/14  
\$ 111.75 # 2135  
133.79  
\$ 245.54

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.

CHILIAN PARTNERS L.P.  
(Name of Corporation, Partnership or other organization)

*[Signature]*  
(Authorized Signature)

Dated the 19 day of JANUARY 20 15.

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 last 2 years in an easily accessible place.

SIPC REVIEWER  
Dates: 1/21/15 Postmarked  
1/30/15 Received  
Calculations \_\_\_\_\_  
Exceptions: \_\_\_\_\_  
Disposition of exceptions: \_\_\_\_\_

Reviewed \_\_\_\_\_  
Documentation \_\_\_\_\_  
Forward Copy \_\_\_\_\_

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

Amounts for the fiscal period  
beginning 1/1/2014  
and ending 12/31/2014

Item No.

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

Eliminate cents

\$ 1,413,430.

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. *THIS NUMBER IS AN*

(4) Interest and dividend expense deducted in determining item 2a. *ADD-BACK, NOT A DEDUCTION.*

*44,698*

(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

44,698

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.

(210,700)

(4) Reimbursements for postage in connection with proxy solicitation.

(5) Net gain from securities in investment accounts.

(1,128,163)

(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).

(21,048)

(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

(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 7b(4) above) but not in excess of total interest and dividend income.

\$ - 0 -

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

\$ - 0 -

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

Total deductions

*\$ 1,359,911*

(1,359,912.)

*\$ 98,217.*

53,517

*\$ 24,554*

133,79

(to page 1, line 2.A.)

2

d. SIPC Net Operating Revenues

e. General Assessment @ .0025

FOOD/FOOD

CHILIAN

02/11/2015 10:57AM FAX 5618353681

TEL (212) 869-8223

FAX (212) 840-2540

**SIDNEY W. AZRILIAN, CPA, P.C.**  
501 Fifth Avenue – 15<sup>th</sup> Floor, New York, NY 10017

February 25, 2015

Independent Auditor's Report on the SIPC Annual  
Assessment Required by SEC Rule 17a-5

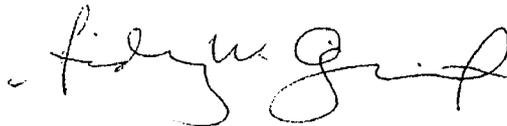
The Partners  
CHILIAN PARTNERS, L.P.

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission, we have performed the following procedures with respect to the accompanying schedule (Form SIPC-7) of Securities Investor Protection Corporation assessments and payments of CHILIAN PARTNERS, LP for the year ended December 31, 2014. Our procedures were performed solely to assist you in complying with Rule 17a-5(e)(4), and our report is not to be used for any other purpose. The procedures we performed are as follows:

1. Compared listed assessment payments with respective cash disbursements records entries;
2. Proved the mathematical accuracy of the calculations reflected in Form SIPC-7 with supporting schedules and working papers, noting no differences.
3. The SIPC assessment for 2013 and 2014 has been paid if any amounts were due.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above. In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on Form SIPC-7 were not determined in accordance with applicable instructions and forms. This report relates only to the schedule referred to above and does not extend to any financial statements of CHILIAN PARTNERS, L.P. taken as a whole.

SIDNEY W. AZRILIAN, CPA, P.C.



TEL. (212) 869-8223

FAX (212) 840-2540

**SIDNEY W. AZRILIAN, CPA, P.C.**  
501 Fifth Avenue – 15<sup>th</sup> Floor, New York, NY 10017

February 25, 2015

Independent Auditor's Report on Internal  
Control Structure Required by SEC Rule 17a-5

The Partners  
CHILIAN PARTNERS, L.P.

In planning and performing our audit of the financial statements of Chilian Partners, L.P. (the "Company") for the year ended December 31, 2014, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparison, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives

of an internal control structure 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 preparation of financial statements in conformity with generally accepted accounting principles.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 were adequate at December 31, 2014 to meet the Commission's objectives.

SIDNEY W. AZRILIAN, CPA, P.C.



**SUPPLEMENTAL SCHEDULE TO FOCUS REPORT**  
Supplemental Inventory Schedule  
(Please read instructions before completing Form)

<b>NAME OF BROKER-DEALER</b>	<b>SEC FILE NO.</b>
CHILIAN PARTNERS, L.P. <span style="float:right">[13]</span>	8-42790 <span style="float:right">[14]</span>
<b>ADDRESS OF PRINCIPAL PLACE OF BUSINESS</b>	<b>FIRM ID NO.</b>
1701 S. FLAGLER DRIVE, SUITE 1001 <span style="float:right">[20]</span> (No. and Street)	27829 <span style="float:right">[15]</span>
WEST PALM BEACH <span style="float:right">[21]</span> FL <span style="float:right">[22]</span> 33401 <span style="float:right">[23]</span>	12/31/14 <span style="float:right">[25]</span>
(City) (State) (Zip Code)	<b>FOR PERIOD ENDING (MM/DD/YY)</b>
<b>NAME OF PERSON COMPLETING THIS REPORT</b> DONALD W. DENTON <span style="float:right">[11290]</span>	
<b>TELEPHONE NO. OF PERSON COMPLETING THIS REPORT</b> (561) 833-2700 <span style="float:right">[11291]</span>	
<b>Aggregate Securities and Commodities Positions</b>	<b>LONG</b> <span style="margin-left: 100px;"><b>SHORT</b></span>
1. U.S. Treasury Securities .....	\$ _____ [8200] \$ _____ [8201]
2. U.S. Government Agency and U.S. Government - Sponsored Enterprises .....	\$ _____ [8210] \$ _____ [8211]
a. Mortgage-Backed Securities issued by U.S. Government Agency and U.S. Government-Sponsored Enterprises .....	LONG SHORT \$ _____ [18001] \$ _____ [18002]
b. Debt Securities issued by U.S. Government Agency and U.S. Government-Sponsored Enterprises .....	\$ _____ [18003] \$ _____ [18004]
3. Securities issued by States and Political Subdivisions in the U.S .....	\$ _____ [8220] \$ _____ [8221]
4. Foreign securities:	
a. Debt securities .....	\$ _____ [8230] \$ _____ [8231]
b. Equity securities .....	\$ _____ [8235] \$ _____ [8236]
5. Money Market Instruments .....	\$ _____ [8240] \$ _____ [8241]
6. Private-Label Mortgage-Backed Securities .....	\$ _____ [8250] \$ _____ [8251]
7. Other Asset-Backed Securities .....	\$ _____ [8280] \$ _____ [8261]
8. Corporate Obligations .....	\$ _____ [8270] \$ _____ [8271]
9. Stocks and Warrants (other than arbitrage positions) .....	\$ 8,116,500 [8280] \$ _____ [8281]
10. Arbitrage .....	\$ _____ [8290] \$ _____ [8291]
11. Derivatives Including Options:	\$ _____ [8285] \$ _____ [8286]
a. Centrally Cleared (See instructions)	LONG SHORT
1. Options .....	\$ _____ [18005] \$ _____ [18006]
2. Forward Settling and Delayed Delivery Transactions .....	\$ _____ [18007] \$ _____ [18008]
3. Security-Based Swaps and Swaps .....	\$ _____ [18009] \$ _____ [18010]
4. Futures .....	\$ _____ [18011] \$ _____ [18012]
5. Other .....	\$ _____ [18013] \$ _____ [18014]
b. All Other (See Instructions)	
1. Options .....	\$ _____ [18100] \$ _____ [18101]
2. Forward Settling and Delayed Delivery Transactions .....	\$ _____ [18102] \$ _____ [18103]
3. Security-Based Swaps and Swaps .....	\$ _____ [18104] \$ _____ [18105]
4. Other .....	\$ _____ [18106] \$ _____ [18107]
12. Spot Commodities .....	\$ _____ [8330] \$ _____ [8331]
13. Securities with no ready market:	
a. Equity .....	\$ _____ [8340] \$ _____ [8341]
b. Debt .....	\$ _____ [8345] \$ _____ [8346]
c. Other (include limited partnership interests) .....	\$ _____ [8350] \$ _____ [8351]
14. Other Securities or Commodities .....	\$ _____ [8360] \$ _____ [8361]
15. Total .....	\$ 8,116,500 [8370] \$ _____ [8371]

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA 12

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a) 16      2) Rule 17a-5(b) 17      3) Rule 17a-11 18  
4) Special request by designated examining authority 19      5) Other 26

NAME OF BROKER-DEALER

CHILIAN PARTNERS, L.P. 13

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

1701 S. FLAGLER DRIVE, SUITE 1001 20

(No. and Street)

WEST PALM BEACH 21 FL 22 33401 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-42750 14

FIRM ID NO.

27829 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/14 24

AND ENDING (MM/DD/YY)

12/31/14 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

DONALD W. DENTON 30

(561) 833-2700 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES 40 NO X 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Manual Signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINRA



FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER CHILIAN PARTNERS, L.P.	as of <u>12/31/14</u>
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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1,252,227 1114	1315	1,252,227 1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	1205	1385	1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders	\$ 970		
2. Includes equity subordination (15c3-1(d)) of	\$ 980		
B. Securities borrowings, at market value from outsiders	\$ 990	1410	1720
C. Pursuant to secured demand note collateral agreements:		1420	1730
1. from outsiders	\$ 1000		
2. includes equity subordination (15c3-1(d)) of	\$ 1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 1,252,227 1230	\$ 1450	\$ 1,252,227 1760

Ownership Equity			
21. Sole proprietorship			\$ 1770
22. Partnership (limited partners)	\$ 6,889,881 1020		6,889,881 1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock			1792
C. Additional paid-in capital			1793
D. Retained earnings			1794
E. Total			1795
F. Less capital stock in treasury			( 1796 )
24. TOTAL OWNERSHIP EQUITY			\$ 6,889,881 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 8,142,108 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

CHILIAN PARTNERS, L.P.

as of

12/31/14

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	6,889,881	3480
2. Deduct ownership equity not allowable for Net Capital			3490
3. Total ownership equity qualified for Net Capital		6,889,881	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	6,889,881	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$		3540
B. Secured demand note deficiency			3590
C. Commodity futures contracts and spot commodities-proprietary capital charges			3600
D. Other deductions and/or charges			3610
7. Other additions and/or allowable credits (List)			3620
8. Net Capital before haircuts on securities positions	\$	6,889,881	3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$		3660
B. Subordinated securities borrowings			3670
C. Trading and investment securities:			
1. Exempted securities			3735
2. Debt securities			3733
3. Options			3730
4. Other securities		1,217,475	3734
D. Undue concentration		1,114,126	3650
E. Other (List)			3736
10. Net Capital	\$	2,331,601	3740
		4,558,280	3750

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b> CHILIAN PARTNERS, L.P.	as of <u>12/31/14</u>
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**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19) .....	\$	83,482	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	100,000	3760
14. Excess net capital (line 10 less 13) .....	\$	4,458,260	3770
15. Net capital less greater of 10% of line 19 or 120% of line 12 .....	\$	4,433,057	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	1,252,227	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	3830
19. Total aggregate indebtedness .....	\$	1,252,227	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10) .....	%	27.47	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d) .....	%	0.00	3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	3870	
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	3880	
24. Net capital requirement (greater of line 22 or 23) .....	\$	3760	
25. Excess net capital (line 10 less 24) .....	\$	3910	
26. Net capital in excess of the greater of:			
5% of combined aggregate debit items or 120% of minimum net capital requirement .....	\$	3920	

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

CHILIAN PARTNERS, L.P.

For the period (MMDDYY) from 10/01/14 3932 to 12/31/14 3933  
Number of months included in this statement 3 3931

REVENUE

STATEMENT OF INCOME (LOSS)

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	<u>3935</u>
b. Commissions on listed option transactions		<u>3938</u>
c. All other securities commissions		<u>3939</u>
d. Total securities commissions		<u>3940</u>
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		<u>3945</u>
b. From all other trading	684,600	<u>3949</u>
c. Total gain (loss)	684,600	<u>3950</u>
3. Gains or losses on firm securities investment accounts		<u>3952</u>
4. Profits (losses) from underwriting and selling groups		<u>3955</u>
5. Revenue from sale of investment company shares		<u>3970</u>
6. Commodities revenue		<u>3990</u>
7. Fees for account supervision, investment advisory and administrative services		<u>3975</u>
8. Other revenue		<u>3995</u>
9. Total revenue	\$	<u>684,600</u> <u>4030</u>

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers		<u>4120</u>
11. Other employee compensation and benefits		<u>4115</u>
12. Commissions paid to other brokers-dealers		<u>4140</u>
13. Interest expense		<u>4075</u>
a. Includes interest on accounts subject to subordination agreements	<u>4070</u>	
14. Regulatory fees and expenses		<u>4195</u>
15. Other expenses	32,555	<u>4100</u>
16. Total expenses	\$	<u>32,555</u> <u>4200</u>

NET INCOME

17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	652,045	<u>4210</u>
18. Provision for Federal income taxes (for parent only)			<u>4220</u>
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			<u>4222</u>
a. After Federal income taxes of	<u>4238</u>		
20. Extraordinary gains (losses)			<u>4224</u>
a. After Federal income taxes of	<u>4239</u>		
21. Cumulative effect of changes in accounting principles			<u>4225</u>
22. Net income (loss) after Federal income taxes and extraordinary items	\$	652,045	<u>4230</u>

MONTHLY INCOME

23. Income (current month only) before provision for Federal Income taxes and extraordinary items	230,182	<u>4211</u>
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