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

SEC Mail Processing
Section

SEC FILE NUMBER

8-50240

MAR 30 2010

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 01/01/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Periculum Advisors, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
Chase Tower/Circle, 111 Monument Circle, Suite 1022
(No. and Street)
Indianapolis IN 46204-5176
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Robert Shortle (317) 636-1800
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Katz, Sapper & Miller, LLP Attn: Scott Brown
(Name - if individual, state last, first, middle name)
800 E. 96th Street #500 Indianapolis IN 46240
(Address) (City) (State) (Zip Code)

CHECK ONE:

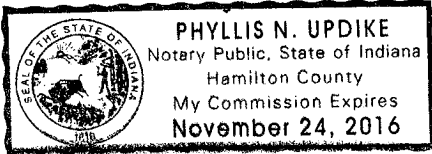
- [X] Certified Public Accountant
[] Public Accountant
[] Accountant not resident in United States or any of its possessions.

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)

OATH OR AFFIRMATION

I, Robert Shortle, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Periculum Advisors, LLC, as of December 31, 20 09, 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:



Robert Shortle
Signature
PRESIDENT
Title

Phyllis N. Updike
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).

800 East 96th Street
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Independent Auditors' Report

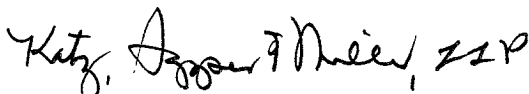
To the Member
Periculum Advisors, LLC

We have audited the accompanying statement of financial condition of Periculum Advisors, LLC (the Company) as of December 31, 2009, and the related statements of operations, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Periculum Advisors, LLC at December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The supplementary information contained on pages 10 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Indianapolis, Indiana
March 25, 2010

PERICULUM ADVISORS, LLC
STATEMENT OF FINANCIAL CONDITION
December 31, 2009

ASSETS

CURRENT ASSETS

Cash

\$194,832

TOTAL ASSETS

\$194,832

LIABILITIES AND MEMBER'S EQUITY

MEMBER'S EQUITY

\$194,832

TOTAL LIABILITIES AND MEMBER'S EQUITY

\$194,832

See accompanying notes.

PERICULUM ADVISORS, LLC

STATEMENT OF OPERATIONS
Year Ended December 31, 2009

INTEREST INCOME	<u>\$ 76</u>
EXPENSES	
Bank fees	467
Insurance	364
Professional fees	315
Regulatory fees	<u>1,382</u>
Total Expenses	<u>2,528</u>
NET LOSS	<u><u>\$(2,452)</u></u>

See accompanying notes.

PERICULUM ADVISORS, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY
Year Ended December 31, 2009

BALANCE AT DECEMBER 31, 2008	\$ 197,284
Net loss	<u>(2,452)</u>
BALANCE AT DECEMBER 31, 2009	<u><u>\$ 194,832</u></u>

See accompanying notes.

PERICULUM ADVISORS, LLC

STATEMENT OF CASH FLOWS
Year Ended December 31, 2009

OPERATING ACTIVITIES

Net loss	\$ (2,452)
Adjustments to reconcile net loss to net cash used by operating activities:	
Decrease in account payable and accrued expenses	<u>(8,867)</u>
Net Cash Used by Operating Activities	<u>(11,319)</u>

NET DECREASE IN CASH

(11,319)

CASH

Beginning of Year	<u>206,151</u>
End of Year	<u><u>\$ 194,832</u></u>

See accompanying notes.

PERICULUM ADVISORS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Periculum Advisors, LLC (the Company) was organized in 1995 as an Indiana limited liability company. The Company is a broker – dealer registered with the Securities and Exchange Commission (the SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company, which has one location in Indianapolis, Indiana, is wholly-owned by Periculum Capital Company, LLC (PCC). The primary business purpose is to provide advisory services related to corporate merger and acquisition transactions, the private placement of debt and equity financings and general corporate advisory services.

The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and, accordingly, claims exemption from SEC Rule 15c3-3, pursuant to paragraph (k)(2)(i).

Estimates: The Company uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingencies and the reported revenues and expenses. Accordingly, actual results could vary from the estimates that were used.

Revenue Recognition: Fees from advisory services relating to corporate merger and acquisition activities and/or for the private placement of debt and equity financings are generally contingent in nature and are recognized when the related transaction is funded. Fees for general corporate advisory services are recognized as the services are rendered. There were no such fees recognized as revenue during 2009.

Cash is maintained in bank deposit accounts which, at times, may exceed federally insured limits. To date, there have been no losses in such accounts.

Income Taxes: The Company is a limited liability company whereby taxable income, losses, credits, etc. are recognized for federal and state income tax reporting purposes by its member. Accordingly, no provision or liability for federal or state income taxes has been reflected in the accompanying financial statements.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. All tax years subsequent to 2005 remain subject to federal and state income tax examinations by tax authorities.

Subsequent Events: The Company has evaluated the financial statements for subsequent events occurring through March 25, 2010, the date the financial statements were available to be issued.

NOTE 2- NET CAPITAL REQUIREMENT

Pursuant to the U.S. Securities and Exchange Commission's Uniform Net Capital Rule (SEC Rule 15c3-1), the Company is required to maintain Net Capital, as defined, equal to the greater of \$5,000 or not less than 6.67% of Aggregate Indebtedness, as defined. At December 31, 2009, the Company's Net Capital was \$194,832, which was \$189,832 in excess of the required minimum Net Capital of \$5,000.

NOTE 3 - TRANSACTIONS WITH AFFILIATE

The Company shares office space with its member, Periculum Capital Company, LLC (PCC), which pays expenses on the Company's behalf. During 2009, PCC did not bill the Company for shared expenses because there were no advisory services rendered in 2009. In years where no advisory services are rendered, no expenses are allocated to the Company in accordance with the cost allocation policy between the Company and PCC.

PERICULUM ADVISORS, LLC

COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM NET CAPITAL
RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2009

CREDITS	\$ 194,832
Total Member's Equity	
DEBITS	
Non-allowable Assets	<u>-</u>
NET CAPITAL	194,832
MINIMUM NET CAPITAL REQUIRED	<u>5,000</u>
NET CAPITAL IN EXCESS OF REQUIREMENT	<u>\$ 189,832</u>
AGGREGATE INDEBTEDNESS	<u>\$ -</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>N/A</u>
RECONCILIATION OF NET CAPITAL	
Net Capital Per Form X-17A-5, Part II A (FOCUS Report)	<u>\$ 194,832</u>
Net Capital Per Above	<u>\$ 194,832</u>

PERICULUM ADVISORS, LLC

**COMPUTATION FOR DETERMINATION OF THE RESERVE REQUIREMENTS
AND INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3
Year Ended December 31, 2009**

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(i). The Company effectuates all financial transactions on behalf of its customers on a fully-disclosed basis. Accordingly, there are no items reportable under Rule 15c3-3.

800 East 96th Street
Suite 500
Indianapolis, IN 46240

Tel 317.580.2000
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*Independent Auditors' Supplementary Report
on Internal Accounting Control*

To the Member
Periculum Advisors, LLC

In planning and performing our audit of the financial statements and supplementary information of Periculum Advisors, LLC as of and for the year ended December 31, 2009, 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 audit 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 computations 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 reserve required by 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 the 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 above-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 accounting principles generally accepted in the United States of America. 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.

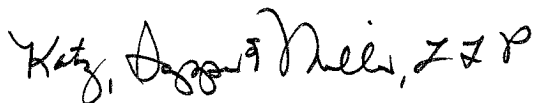
A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

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, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Company's member, management, the SEC, the Financial Industry Regulatory Authority, Inc. 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 those specified parties.



Indianapolis, Indiana
March 25, 2010

PERICULUM ADVISORS, LLC

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

December 31, 2009

PERICULUM ADVISORS, LLC

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