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

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

OMB APPROVAL
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8- 41401

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: GDK, Inc. c/o Wakefield Quin

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

Victoria Place, 31 Victoria Street

(No. and Street)

Hamilton

(City)

Bermuda

(State)

HM10

(Zip Code)

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

Joseph Kelly

(441) 494-4000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

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

5 Times Square

(Address)

New York

(City)

NY

(State)

10036

(Zip Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
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AND
EXAMINATIONS
04

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, Joseph Kelly, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GDK, Inc., 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:

Joseph Kelly
Signature
Vice President & Treasurer
Title

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).

NOTARIAL CERTIFICATE

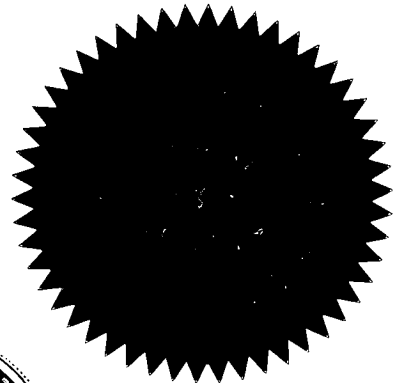
TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, Nicholas J. Hoskins, of the City of Hamilton in the Islands of Bermuda, a Notary Public, duly authorised, admitted and sworn, practising at Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda as aforesaid **DO HEREBY CERTIFY** that, on the day of the date hereof, before me personally appeared Joseph Kelly, whose identity has been duly proved to me and who did then acknowledge before me that the signature "Joseph Kelly" appearing on the United States Securities and Exchange Commission Annual Audited Report Form X-17A-5 Part III attached hereto is the handwriting of the said Joseph Kelly.

IN TESTIMONY WHEREOF I, the said Notary Public, have hereto set my hand and official Notarial Seal this *29* day of January, 2010.

Notary Public

NICHOLAS J. HOSKINS
NOTARY PUBLIC
FOR AND IN THE ISLANDS OF BERMUDA
VICTORIA PLACE, 31 VICTORIA STREET
HAMILTON HM 10, BERMUDA
MY COMMISSION IS UNLIMITED AS TO TIME



Report of Independent Registered Public Accounting Firm

The Board of Directors
GDK, Inc.

We have audited the accompanying statement of financial condition of GDK, Inc. (the "Company") as of December 31, 2009. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of GDK, Inc. at December 31, 2009, in conformity with U.S. generally accepted accounting principles.

February 26, 2010

Ernst & Young LLP

GDK, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2009

(In thousands of U.S. dollars, except share amounts)

ASSETS

Cash and cash equivalents	\$	79
Due from brokers		468,559
Securities owned, at market or fair value		162,335
Other assets		<u>373</u>
TOTAL ASSETS	\$	<u>631,346</u>

LIABILITIES AND SHAREHOLDER EQUITY

Securities sold, not yet purchased, at market or fair value	\$	162,563
Floor brokerage fee payable		31
Accrued expenses and other liabilities		<u>357</u>
TOTAL LIABILITIES		<u>162,951</u>
Shareholder equity		<u>468,395</u>
TOTAL LIABILITIES AND SHAREHOLDER EQUITY	\$	<u>631,346</u>

The accompanying notes are an integral part of this statement of financial condition.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2009

1. Organization

GDK, Inc. (the “Company”), a broker-dealer registered with the Securities and Exchange Commission (“SEC”) of the United States and a member of the Chicago Stock Exchange, commenced operations in July 1989. The Company, a British Virgin Islands corporation, maintains its principal office in Bermuda and primarily trades equities that are listed on U.S. exchanges exclusively for its own account.

As of June 1, 2009 all of the Company’s outstanding Class A shares valued at approximately \$379 million were assigned by one investment fund advised by Caxton Associates LP, a Delaware U.S.A. limited partnership (“Caxton”) to A.R.T. International Holdings (BVI) Ltd., a British Virgin Islands business company (“A.R.T. Holdings”) in exchange for shares of A.R.T. Holdings. In addition, all of the Company’s Class B shares valued at approximately \$80 million were assigned by a second investment fund advised by Caxton to A.R.T. International Investors (USA) LLC, a Delaware U.S.A. limited liability company (“A.R.T. USA”) in exchange for shares of A.R.T. USA, and such Class B shares were assigned by A.R.T. USA to A.R.T. Holdings. The Company is now wholly owned by A.R.T. Holdings. A.R.T. Holdings is controlled by its directors who have delegated authority over the investment and trading activities of A.R.T. Holdings to A.R.T. Advisors, LLC, a Delaware, U.S.A. limited liability company (“A.R.T. Advisors”). A.R.T. Advisors has authority over the trading and investment activities of the Company through A.R.T. Advisors’ relationship with A.R.T. Holdings. Pursuant to an administrative and accounting services agreement, Caxton provides A.R.T. Advisors with office space and accounting, administrative and other facilities and services, including daily back-office processing support and administration of the Company’s broker-dealer compliance obligations.

From January 1, 2009 through September 30, 2009, Prime Management Limited, a Bermuda company (“Prime”) provided administrative, share registrar and transfer agent services to the Company either directly or through affiliates of the Company. Effective October 1, 2009, the Company retained the services of International Fund Services (Ireland) Limited, an Irish limited liability company, to assume a more expansive role as administrator (the “Administrator”), share registrar and transfer agent for the Company.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

2. Significant Accounting Policies

Basis of Presentation

This statement of financial condition has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are expressed in U.S. dollars. Preparation of the statement of financial condition in accordance with U.S. GAAP requires management to make estimates and assumptions that could affect the amounts reported in the statement of financial condition and accompanying notes. Management believes that the estimates used in preparing the statement of financial condition are reasonable. Actual results could differ from these estimates.

Codification

On June 3, 2009, the Financial Accounting Standards Board ("FASB") confirmed that the FASB Accounting Standards Codification ("the Codification") will become the single official source of authoritative, nongovernmental U.S. GAAP. It is effective for interim and annual periods ending on or after September 15, 2009. Other than resolving certain minor inconsistencies in current U.S. GAAP, the Codification is not supposed to change U.S. GAAP, but is intended to make it easier to find and research U.S. GAAP applicable to a particular transaction or specific accounting issue.

Cash Equivalents

Cash equivalents may include money market accounts, overnight funds, time deposits, commercial paper and U.S. treasury bills with a maturity of 3 months or less at the time of purchase which are carried at cost plus accrued interest, which approximates fair value. At December 31, 2009, cash and cash equivalents primarily consist of cash and shares in a money market fund held at one financial institution.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

2. Significant Accounting Policies (continued)

Valuation of Trading Positions

Trading positions of the Company are valued at market or fair value. Market value is generally based on quoted market prices. If quoted market prices are not available, fair value is determined based upon other relevant factors, including dealer price quotations and pricing models. Pricing models consider the time value, volatility and other economic factors of the financial instruments.

Trading positions, which include securities owned and securities sold, not yet purchased, are accounted for on a trade date basis. Dividends, including those on securities sold, not yet purchased, are recognized on the ex-dividend date, net of applicable taxes. Interest income and expense are accrued as earned or incurred.

Subsequent market fluctuations of securities sold, not yet purchased, may require purchasing the securities at prices which differ from the value reflected on the statement of financial condition.

Fair Value of Financial Instruments

The Company is required to disclose its assets and liabilities measured at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. There is a three tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Company's investments.

The inputs are summarized in the three broad levels listed below:

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

Level 1 — Valuations are based on quoted prices (unadjusted) for identical assets or liabilities in active markets. The types of assets and liabilities valued based on quoted market prices in active markets and categorized by the Company as Level 1 within the fair value hierarchy generally include equities listed in active markets, government and corporate securities, and listed derivatives.

Level 2 — Valuations are based on other observable inputs, including but not limited to:

- Quoted prices for similar assets or liabilities in active markets
- Inputs other than quoted prices that are observable for the asset or liability (*e.g.*, interest rates and yield curves observable at commonly quoted intervals)

The types of assets and liabilities that trade in markets that are considered to be active, but are not valued based on quoted market prices, broker or dealer quotations in active markets, or alternative pricing sources with reasonable levels of price transparency, includes instruments such as Interest Rate Swaps, Foreign Exchange Forwards and Options, Commodity Forwards and Options, Credit Derivatives and other types of liquid derivatives. Level 2 derivatives are valued using pricing models based on the net present value of estimated future cash flows and directly observed prices from exchange-traded derivatives, other OTC derivative contracts, or external pricing services.

Level 3 — Valuations are based on the Company's assumptions that it believes market participants would use in pricing the asset or liability. Level 3 inputs are based on the best information available in the circumstances, which may include indirect correlation to a market value, combinations of market values, the Company's proprietary data or external pricing services. Level 3 inputs generally include information derived through extrapolation or interpolation of observable market data and primarily consist of private investments.

The fair value measurements of assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. On April 9, 2009, the FASB issued additional guidance concerning determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. This new guidance also highlights and clarifies the factors that should be considered in estimating fair value when there has been a significant decrease in market activity for an asset or liability. It also requires reporting entities to define a major category for both debt and equity securities and is applicable for interim and annual reporting periods ending after June 15, 2009.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

2. Significant Accounting Policies (continued)

Commissions and Soft Dollar Arrangements

Commissions are expensed upon the execution of the trade.

In exchange for the direction of commission dollars to certain brokers, A.R.T. Advisors may generate credits or “soft dollars.” A.R.T. Advisors will have the option to use these soft dollars generated by the Company to pay for research related products and services. Section 28 (e) of the U.S. Securities Exchange Act of 1934, as amended, provides a “safe harbor” to trading advisors who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the advisor in the performance of investment decision-making responsibilities.

The Company does not apply any rigid formula for selecting brokers or dealers to effect transactions, nor does it have fixed internal brokerage procedures designating specific percentages of brokerage commissions to particular brokerage firms. The Company is authorized to incur higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with investment and research information or to pay higher commissions to such firms if the Company determines such prices or commissions are reasonable in relation to the overall services provided by such brokerage firms.

Income Taxes

On December 31, 2009, the Company adopted new guidance for accounting for uncertainty in income taxes. The new guidance discusses how uncertain tax positions should be recognized, measured, presented and disclosed in the statement of financial condition. It requires that tax expense be recorded in the current period for tax positions which are deemed to not meet a “more-likely-than not” threshold of being sustained by the applicable tax authority. The implementation of this guidance resulted in no liabilities for unrecognized tax positions and no changes to the net asset value of the Company as of December 31, 2009. The Company recognizes interest and penalties, if any, related to unrecognized tax positions as income tax expense. For the year ended December 31, 2009, the Company did not incur any interest or penalties.

No provision for income taxes has been made as the Company is not subject to income tax under current legislation.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

3. Due From Brokers, Securities Owned & Securities Sold, Not Yet Purchased

At December 31, 2009, the amount due from broker, securities owned, and securities sold, not yet purchased, were substantially held at a single major financial institution. Substantially all securities owned and securities sold, not yet purchased, at December 31, 2009 are publicly traded U.S. equities. No single long or short position or industry concentration exceeds 10% of shareholders' equity.

The following is a summary by level of the Company's financial investments carried at fair value as of December 31, 2009:

(In 000's)

Assets as of December 31, 2009

	<u>Level I</u>	<u>Total</u>
Assets		
Securities Owned at market or fair value		
Equities	\$ 162,214	\$ 162,214
Corporate debt	121	121
Total assets	<u>\$ 162,335</u>	<u>\$ 162,335</u>

(In 000's)

Liabilities as of December 31, 2009

	<u>Level I</u>	<u>Total</u>
Liabilities		
Securities sold, not yet purchased at market or fair value		
Equities	\$ 161,668	\$ 161,668
Corporate debt	895	895
Total liabilities	<u>\$ 162,563</u>	<u>\$ 162,563</u>

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

3. Due from Brokers, Securities Owned & Securities Sold, Not Yet Purchased (continued)

At December 31, 2009, the due from brokers, balance in the statement of financial condition includes the following:

In (000's)

Cash at broker	\$	468,389
Transactions pending settlement		170
Due from broker	<u>\$</u>	<u>468,559</u>

Cash at the broker related to securities sold, not yet purchased, is restricted until the securities are purchased. Securities sold, not yet purchased, are also collateralized by the Company's securities owned. Interest on debit and credit balances is paid based on the broker's institutional rate.

Margin requirements at December 31, 2009 of approximately \$53.8 million were satisfied by securities owned and cash at broker.

4. Related Party Disclosures

An officer of Caxton is also an officer and a director of the Company. A.R.T. Advisors or an affiliate thereof receives management fees and performance allocations from either A.R.T. Holdings or the beneficial owners thereof in connection with the activities of A.R.T. Holdings, including activities conducted through the Company. Caxton is a member of A.R.T. Advisors and the affiliate who receives such management fees and performance allocations. An officer of the Company is also an officer of Prime.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

5. Trading Advisory and Performance Allocations

Under the terms of the Advisory Agreement, which terminated on May 29, 2009, the Company paid A.R.T. Advisors a monthly advisory fee based on an annual rate of 1% of the average monthly net asset value of the Class A shares.

As a result of the June 1, 2009 assignment of shares (see Note 1), performance allocation related to profits for the period January 1, 2009 through June 1, 2009 were carried over to A.R.T. Holdings.

In 2007, the Company elected to terminate and liquidate completely the Deferred Incentive Fee Agreement. On December 2, 2008 the Company paid \$258.3 million of the deferred incentive fee liability, with the remaining \$13.7 million paid on February 18, 2009.

6. Shareholder Equity

The Company's capital structure consists of three classes of common stock, Class A, Class B and Class C. Each class has identical voting rights. The Company is authorized to issue 75,000 Class A shares, 52,500 Class B shares and 22,500 Class C shares at \$.10 par value. As of December 31, 2009, there were 1,770.69 Class A shares and 304.75 Class B shares outstanding. There were no Class C shares outstanding during the year.

As of December 31, 2009, A.R.T. Holdings owned a 100% interest in the Company. As a result of the assignment of shares, Class A shares are no longer charged advisory fees or performance allocation. Class B shares are not charged advisory fees or performance allocations.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

7. Risk Management

Risk is an inherent part of the Company's activities. The significant risks the Company faces are market, credit, liquidity, and operational risks, among other risks. While these risks can not be eliminated, the Company seeks to mitigate these risks through a range of monitoring and analytical techniques.

Market risk is the risk that a change in the level of one or more market factors such as market price, rates, indices, volatilities, and correlations will result in losses for a position or portfolio. The Company incurs market exposure through its trading and hedging activities throughout its portfolio. The Company's portfolio of positions and investments are monitored to assist in maintaining appropriate levels of risk and volatility.

Credit risk includes the risk that a counterparty, broker or an issuer of securities or other financial instruments will be unable to meet its contractual obligations and fail to deliver, pay for or execute a trade. The Company's credit exposure is largely limited to professional counterparties in the financial sector and organized exchanges or clearinghouses. Credit risk will also be incurred when the Company enters into collateralized financing transactions. The Company routinely monitors its exposure to its counterparties and considers changing broker relationships, terminating or closing trades or otherwise limiting exposure as deemed necessary.

Liquidity risk relates to the ability to raise capital or liquidate an asset or repurchase a security sold short in a timely manner at a reasonable price. A.R.T Advisors seeks to manage liquidity risk by investing primarily in marketable securities and monitoring the Company's positions against the reported trading volume of such securities.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from disruptions caused by external events. Caxton, A.R.T. Advisors and the Administrator maintain controls that include systems and procedures to record and reconcile transactions and positions.

GDK, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)

DECEMBER 31, 2009

8. Net Capital Requirement

As a registered broker-dealer which trades for its own account, the Company is subject to the Uniform Net Capital Rule (the "Rule") of the SEC which requires that the Company maintain minimum net capital, as defined, and requires that the ratio of aggregate indebtedness to net capital, as defined, not exceed 15 to 1. Net capital and aggregate indebtedness vary from day to day, but as of December 31, 2009, the Company had net capital of approximately \$425.7 million which exceeded requirements by approximately \$425.6 million, and a ratio of aggregate indebtedness to net capital of 0.001 to 1. The Company is also subject to certain notification provisions of the Rule relating to the withdrawal of capital.

The Company does not effect transactions for anyone defined as a customer under SEC Rule 15c3-3. Accordingly, the Company is exempt from the requirements of this Rule under Section (k)(2)(ii).

9. Subsequent Events

Subsequent events have been evaluated up to February 26, 2010, which is the date the statement of financial condition was available to be issued. There are no significant subsequent events to disclose.

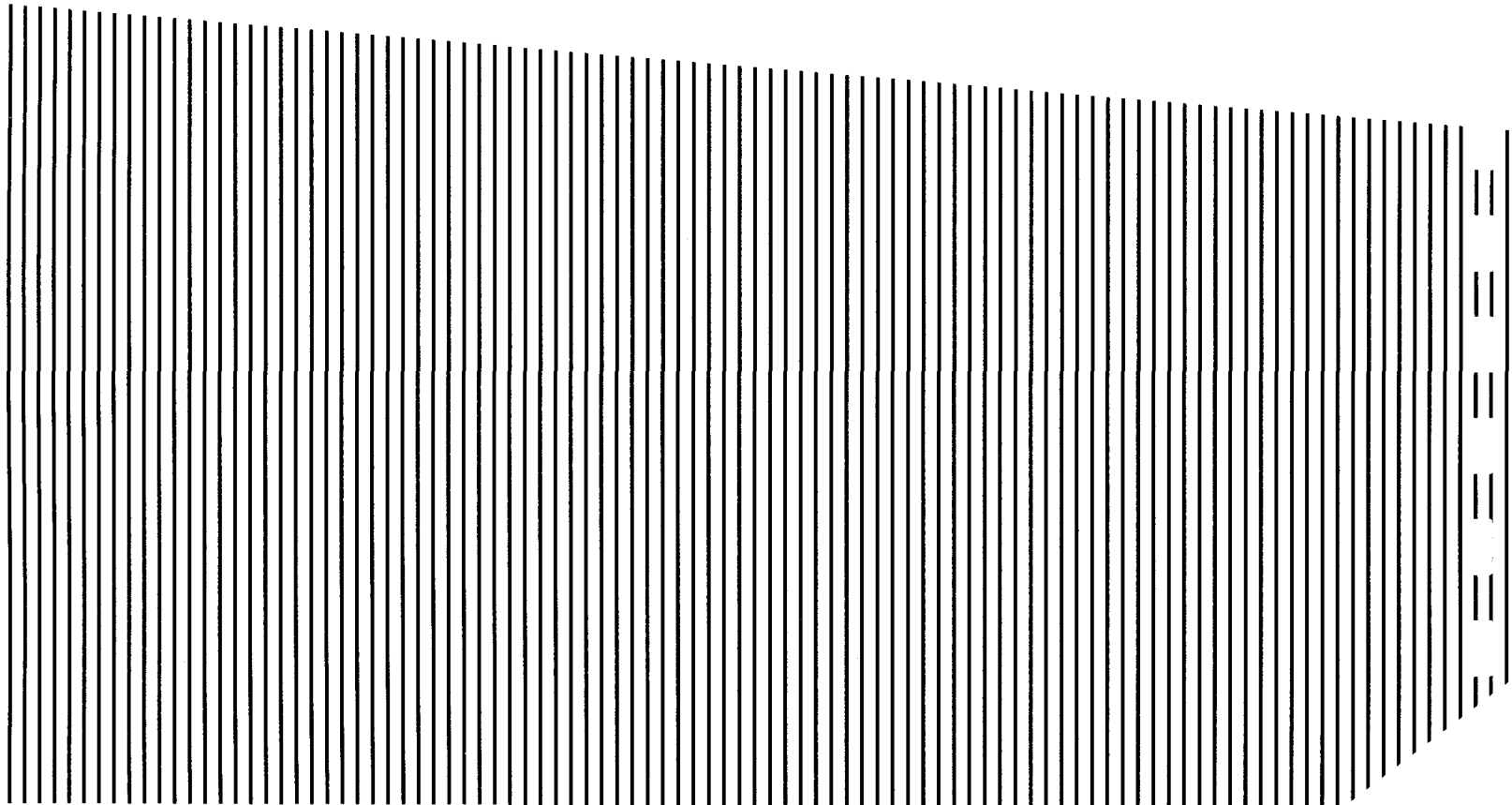
Ernst & Young LLP

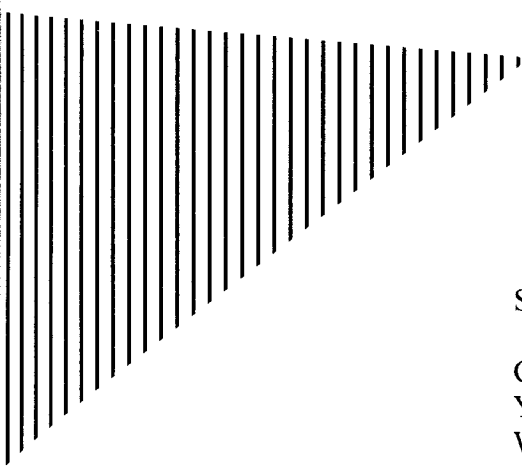
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About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 130,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve potential.

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STATEMENT OF FINANCIAL CONDITION

GDK, Inc.

Year Ended December 31, 2009

With Report of Independent Registered Public Accounting Firm

Ernst & Young LLP

