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

SEC FILE NUMBER
8- 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 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Chilton Partners L.P.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1701 S. Flagler Drive - Suite 1001  
(No. and Street)

West Palm Beach FL 33401  
(City) (State) (Zip Code)

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

**B. ACCOUNTANT IDENTIFICATION**

**Mail Processing  
Section**

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

MAK 02 2010

SIDNEY W. AZRILIAN, CPA, P.C.  
(Name - if individual, state last, first, middle name)

36 West 44th Street, Suite 1100, New York, NY 10036 Washington, DC  
(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)

LD  
3/17/2010

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 31st, 2009, 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

Donald W. Denton  
Signature  
General Partner  
Title

[Signature]  
Notary Public

**ANDREW KIRWIN**  
Notary Public, State of New York  
No. 02K15009982  
Qualified in Westchester County  
Commission Expires March 22, 2011

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.
- (o) Internal Control Report

\*\*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, 2009

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

The Bar Building  
36 West 44<sup>th</sup> Street, Suite 1100  
New York, New York 10036-8102

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

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- EXHIBIT D** Statement of Cash Flows -- Year ended December 31, 2009
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### **Notes to Financial Statements**

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1. Commentary on SIPC (4) Report
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3. FOCUS Report – Part II A
4. Internal Control Report
5. Information relating to the Possession or Control Requirements under Rule 15c3-3
6. Audited Computation of Net Capital at December 31, 2009

TEL. (212) 869-8223

FAX (212) 840-2540

**SIDNEY W. AZRILIAN, CPA, P.C.**

THE BAR BUILDING • 36 WEST 44<sup>TH</sup> STREET • SUITE 1100 • NEW YORK, NY 10036

February 25, 2010

**Independent Auditor's Report**

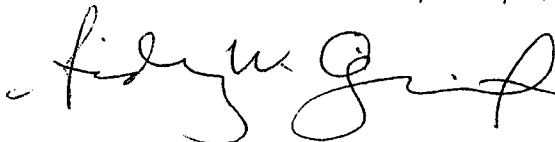
To The Partners of  
CHILIAN PARTNERS, L.P.

We have audited the accompanying statement of financial condition of CHILIAN PARTNERS, L.P. as of December 31, 2009, and the related statements of income, partners' capital, and cash flows. These statements are the responsibility of the general partner. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHILIAN PARTNERS, L.P. as of December 31, 2009, its income statement, statement of partners' capital, and its cash flows, for the year then ended in conformity with generally accepted accounting principles.

SIDNEY W. AZRILIAN, CPA, P.C.

A handwritten signature in black ink, appearing to read "Sidney W. Azriliant", written in a cursive style.

**EXHIBIT A.**  
**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*  
**STATEMENT OF FINANCIAL CONDITION**  
*As of December 31, 2009*

**ASSETS**

Cash and Equivalents	\$ 21,586
Securities at Market Value (see Note 1)	2,649,656
Accrued Interest & Dividends	24,000
Due From Broker Clearance Account	<u>113,124</u>

**TOTAL ASSETS** **\$ 2,808,366**

**LIABILITIES AND PARTNERS' CAPITAL**

**LIABILITIES**

Partners' Capital Accounts **\$ 2,808,366**

**TOTAL LIABILITIES AND PARTNERS' CAPITAL ACCOUNTS** **\$ 2,808,366**

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, 2009*

**Gross Income (Loss)**

Net Security Dealer Trading Losses Marked to Market \$ (349,024)

**TOTAL GROSS INCOME (Loss)** \$ (349,024)

**Expenses**

Insurance \$ 2,071  
Management Fees -- General Partner (See Notes 3 & 4) 72,201  
Miscellaneous Expense 102  
Professional Fees 10,800  
Taxes 250  
Regulatory Fees and Assessments 859

**TOTAL EXPENSES** \$ 86,283

**NET (LOSS)** \$ (426,307)

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

**EXHIBIT C.**

**CHILIAN PARTNERS L.P.**

*(A Limited Partnership)*

**STATEMENT OF PARTNERS' CAPITAL ACCOUNTS**

*For the Year Ended December 31, 2009*

	<b><u>LIMITED PARTNERS</u></b>	<b><u>GENERAL PARTNERS</u></b>	<b><u>TOTAL</u></b>
Balance at January 1, 2009	\$ 429,489	\$ 2,805,184	\$ 3,234,673
Net Loss (Exhibit B)	(62,186)	(364,121)	(426,307)
Capital Contributed by Partners	-	16,000	16,000
Withdrawals by Partners	<u>(16,000)</u>	<u></u>	<u>(16,000)</u>
<b>Balance at December 31, 2009</b>	<b><u>\$ 351,303</u></b>	<b><u>\$ 2,457,063</u></b>	<b><u>\$ 2,808,366</u></b>

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



**EXHIBIT D.**

**CHILIAN PARTNERS L.P.**

*(A Limited Partnership)*

**STATEMENT OF CASH FLOWS**

*For the Year Ended December 31, 2009*

Cash Decrease from Operating Activities Net Loss (see Exhibit "B") \$ (426,307)

**Adjustment to Reconcile Net Income to Net Cash by Operating Activities:**

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

	<u>Increase to Cash</u>	<u>Decrease to Cash</u>	
Decrease in Securities at Market Value	\$ 1,125,061		
Increase in Due From Broker and Decrease in Due to Broker		<u>679,518</u>	
<b>Increase in Cash from Operations:</b>	<u>1,125,061</u>	<u>679,518</u>	<u>\$445,543</u> <u>\$19,236</u>

**Cash Flows from Financing Activities:**

Net Cash Withdrawals by Partners (see Exhibit "C")	(16,000)	
Net Cash Contributions by Partners (Exhibit "C")	<u>(16,000)</u>	<u>- 0 -</u>

**NET INCREASE IN CASH:**

Cash - Beginning of year	<u>\$ 2,350</u>
Cash - End of Year - December 31, 2009	<u><u>\$ 21,586</u></u>

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

**EXHIBIT E.**  
**CHILIAN PARTNERS L.P.**  
*(A Limited Partnership)*  
**COMPUTATION OF NET CAPITAL**  
*At December 31, 2009*

Ownership Equity as per Statement of Financial Condition and Net Capital before Non-Allowable Assets and Haircuts on Securities Positions	\$ 2,808,366
Haircuts on Securities	<u>575,109</u>
<b><u>Net Capital Per Part IIA -- Page 10</u></b>	<b><u><u>\$ 2,233,257</u></u></b>

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

**CHILIAN PARTNERS, L.P.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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	\$2,649,656	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 2009, the general partner did not receive an incentive management fee.

**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.

TEL. (212) 869-8223

FAX (212) 840-2540

**SIDNEY W. AZRILIAN, CPA, P.C.**

THE BAR BUILDING • 36 WEST 44<sup>TH</sup> STREET • SUITE 1100 • NEW YORK, NY 10036

February 25, 2010

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

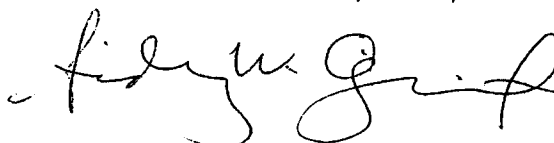
The Partners  
CHILIAN PARTNERS, L.P.

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-4) of Securities Investor Protection Corporation assessments and payments of CHILIAN PARTNERS, LP for the year ended December 31, 2009. 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. The SIPC assessment for 2009 and 2010 has been paid.

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-4 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.

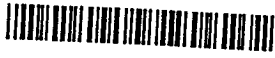


Securities Investor Protection Corporation  
805 15th Street NW, Suite 800  
Washington, DC 20005-2215

**Form SIPC-4**  
(17-REV. 12/04)

**FY 2009**

Forwarding and Address Correction Requested



8-042750 FINRA DEC

CHILIAN PARTNERS LP  
324 DATURA STREET STE 208  
WEST PALM BEACH, FL 33401

ASSESSMENT - FY 2009	\$150.00
INTEREST DUE (Instructions Below)	-
BALANCE DUE (Check Enclosed)	\$ 150.00
X	1/6/09
Authorized Signature/Title	Date

Securities Investor Protection Corporation  
PO BOX 92185  
Washington, DC 20090-2185

*paid*  
*1/6/09*  
*#1522*

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**Form SIPC-4**

**FY 2009**

8-042750 FINRA DEC

CHILIAN PARTNERS LP  
324 DATURA STREET STE 208  
WEST PALM BEACH, FL 33401

ASSESSMENT - FY 2009	\$150.00
INTEREST DUE (Instructions Below)	-
BALANCE DUE (Check Enclosed)	150.00

**Instructions to Broker Dealer.**

This form is to be filed by all those who were members of the Securities Investor Protection Corporation as of January 1, 2009, no later than January 30, 2009. Persons who become SIPC members after January 1, 2009 shall file this form no later than 30 days after the effective date of their membership in a self regulatory organization. Questions pertaining to this form should be directed to the SIPC Coordinator at your SIPC Collection Agent.

**A. Assessment.** Each SIPC member's assessment for the calendar year 2009 or any portion thereof is \$150.00.

**B. Interest on Assessments.** If all or any part of an assessment payable under Section 4 of the Act has not been received by the collection agent within 15 days after the due date thereof, the member shall pay, in addition to the amount of the assessment, interest at the rate of 20% per annum of the unpaid portion of the assessment for each day it has been overdue. If any broker or dealer has incorrectly filed a claim for exclusion from membership in the corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

**C. Payments.** Tear off and mail the top portion of this form using the enclosed return envelope. Be sure to include a check for the amount indicated in the payment coupon plus any interest that may be due. Be sure the SIPC Collection Agent's address clearly shows in the return envelope's window. Make your check payable to Securities Investor Protection Corporation. Retain the bottom part of this form for your records.

TEL. (212) 869-8223

FAX (212) 840-2540

**SIDNEY W. AZRILIAN, CPA, P.C.**

THE BAR BUILDING • 36 WEST 44<sup>TH</sup> STREET • SUITE 1100 • NEW YORK, NY 10036

February 25, 2010

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 consolidated financial statements of Chilian Partners, L.P. (the "Company") for the year ended December 31, 2009, 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, 2009 to meet the Commission's objectives.

SIDNEY W. AZRILIAN, CPA, P.C.

A handwritten signature in cursive script, appearing to read "Sidney W. Azriliant".