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

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

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**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 January 1, 2009 AND ENDING December 31, 2009
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Direct Access Partners LLC

OFFICIAL USE ONLY

FIRM ID. NO.

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

14 Wall Street, 18th Floor

(No. and Street)

New York, NY 10005

(City)

(State)

(Zip Code)

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

Benito Chinaea

(212) 850 - 8892

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Rothstein, Kass & Company, P.C.

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

4 Becker Farm Road, Roseland, NJ 07068

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- 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).

SEC 1410 (06-02)

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Handwritten initials and date: JD 3/19/2010

OATH OR AFFIRMATION

I, CAROL LIPNER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DIRECT ACCESS PARTNERS LLC, as of DECEMBER 31, 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:

Karen Winship

KAREN WINSHIP
Notary Public State of New York
No. 01W16123932
Qualified in Nassau County
Commission Expires March 14, 2013
~~Notary Public~~

Carol Lipner

Signature

CFO

Title

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 Proprietor's 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) Independent auditor's report on internal accounting control.
- (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

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

DIRECT ACCESS PARTNERS, LLC
STATEMENT OF FINANCIAL CONDITION
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2009

DIRECT ACCESS PARTNERS, LLC

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Certified
Public
Accountants

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Beverly Hills
Dallas
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Grand Cayman
Irvine
New York
Roseland
San Francisco
Walnut Creek

Rothstein Kass

INDEPENDENT AUDITORS' REPORT

To the Member of
Direct Access Partners, LLC

We have audited the accompanying statement of financial condition of Direct Access Partners, LLC (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 of America. 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. An audit includes 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, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition 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 Direct Access Partners, LLC as of December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Rothstein, Kass & Company, P.C.

Roseland, New Jersey
February 25, 2010

DIRECT ACCESS PARTNERS, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2009

ASSETS

| | | |
|---|----|-------------------|
| Cash and cash equivalents | \$ | 20,917,373 |
| Restricted cash - security deposit | | 337,181 |
| Receivables from clearing brokers, including clearing deposits of approximately \$950,000 | | 2,102,466 |
| Commissions receivable | | 474,443 |
| Due from customers | | 1,048,609 |
| Property and equipment, net | | 49,583 |
| Other assets | | <u>197,390</u> |
| | \$ | <u>25,127,045</u> |

LIABILITIES AND MEMBER'S CAPITAL

Liabilities

| | | |
|--|----|------------------|
| Accounts payable and accrued expenses | \$ | 12,908,356 |
| Securities sold, not yet purchased - at fair value | | 123,422 |
| Due to customers | | <u>2,909,202</u> |
| Total liabilities | | 15,940,980 |

Member's Capital

| | | |
|--|----|-------------------|
| | | <u>9,186,065</u> |
| Total liabilities and member's capital | \$ | <u>25,127,045</u> |

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

1. Nature of business and summary of significant accounting policies

Nature of Business

Direct Access Partners, LLC, a limited liability company, (the "Company") is a New York State company formed in 2002. The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the New York State Stock Exchange ("NYSE").

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

These financial statements were approved by management and available for issuance on February 25, 2010. Subsequent events have been evaluated through this date.

Cash and Cash Equivalents

The Company considers deposits in money market accounts to be cash equivalents.

Restricted Cash

Restricted cash consists of a certificate of deposit which collateralizes a standby letter of credit held by the Company's landlord in lieu of a security deposit.

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 best information available in the circumstances. The fair value hierarchy is categorized into three levels 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.

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

1. Nature of business and summary of significant accounting policies (continued)

Fair Value - Definition and Hierarchy (continued)

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 models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values 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 input 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.

Securities Sold, Not Yet Purchased, at fair value

The Company values investments in securities sold short 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. All unrealized gains and losses are reflected in revenues.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The Company provides for depreciation as follows:

| Asset | Useful Life | Estimated Principal Method |
|------------------------|--------------------|-----------------------------------|
| Furniture and fixtures | 7 years | Straight-Line |

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

1. Nature of business and summary of significant accounting policies (continued)

Revenue and Expense Recognition from Securities Transactions

Commission income and related expense are recorded on a settlement date basis. Securities transactions and the related revenues and expenses are also recorded on the trade-date basis. There is no material difference between the settlement date basis and the trade date basis. Unrealized gains and losses on securities transactions are reflected in other income.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

Income Taxes

Federal and state income taxes have not been provided in the accompanying financial statements as the member is individually liable for its share of federal and state income tax liabilities. However, the Company is subject to a 4% New York City Unincorporated Business Tax which has been provided for and is included in the statement of operations.

The Company follows an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax asset and liabilities are computed for difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the consolidated financial statements as appropriate. Accrued interest and penalties related to income tax matters are classified as a component of income tax expense.

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

1. Nature of business and summary of significant accounting policies (continued)

Income Taxes (continued)

In accordance with GAAP, the Company is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Company files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. state and local jurisdictions. Generally the Company is no longer subject to income tax examinations by major taxing authorities for years before 2006. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Company recording a tax liability that reduces net assets. This policy has been applied to all existing tax positions upon the Company's initial adoption for the period ended December 31, 2009. Based on its analysis, the Company has determined that the adoption of this policy did not have a material impact on the Company's financial statements upon adoption. However, the Company's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Company recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized as of and for the period ended December 31, 2009.

Subsequent events

The Company has evaluated subsequent events through February 25, 2010 the date of these financial statements as required by Financial Accounting standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 855.

2. Fair value measurements

The Company's liabilities 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 liabilities measured at fair value as of December 31, 2009:

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2009 |
|------------------------------------|--|---|--|--|
| Liabilities (at fair value) | | | | |
| Securities sold short | | | | |
| Common stock | \$ 838 | \$ - | \$ - | \$ 838 |
| Exchange-traded products | 122,584 | - | - | 122,584 |
| Total securities sold short | \$ 123,422 | \$ - | \$ - | \$ 123,422 |

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

3. Property and equipment

Details of property and equipment at December 31, 2009 are as follows:

| | | |
|-------------------------------|----|----------------|
| Furniture and fixtures | \$ | 53,893 |
| Less accumulated depreciation | | <u>(4,310)</u> |
| | \$ | <u>49,583</u> |

Depreciation expense charged to operations for the year ended December 31, 2009 amounted to approximately \$4,300.

4. Securities sold, not yet purchased, at fair value

Details of securities sold, not yet purchased at December 31, 2009 are as follows:

| | | |
|--------------------------|----|----------------|
| Common stock | \$ | 838 |
| Exchange-traded products | | <u>122,584</u> |
| | \$ | <u>123,422</u> |

5. Liabilities subordinated to claims of general creditors

The Company was a party to a subordinated loan agreement with a related party. In December 2009, the Company made a \$300,000 repayment which extinguished all amounts outstanding under the agreement. The subordinated loan charged interest at a rate of 5% per annum. Interest charged to operations for the year ended December 31, 2009 amounted to approximately \$15,000.

6. Due from and due to customers

The Company, under Section 28(e) of the Securities and Exchange Act of 1934, has entered into agreements with various customers to provide them with execution related services, brokerage services, and research products and services that provide lawful and appropriate assistance to carry out their investment decision making. Under the agreements, the Company uses a portion of the commissions charged to provide these services. Customers that the Company has provided services in excess of commissions charged aggregated approximately \$1,049,000 at December 31, 2009; this balance is presented in the statement of financial condition as due from customers. Customers that the Company has received commissions in excess of services provided aggregated approximately \$2,909,000 at December 31, 2009; this balance is presented in the statement of financial condition as due to customers.

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

7. 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 or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2009, the Company's net capital was approximately \$13,830,000, which was approximately \$13,184,000 in excess of its minimum requirement of approximately \$647,000.

8. Off-balance sheet risk

Pursuant to clearance agreements, the Company introduces all of its securities transactions to clearing brokers on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing brokers. In accordance with the clearance agreements, the Company has agreed to indemnify the clearing brokers for losses, if any, which the clearing brokers may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing brokers monitor collateral on the customers' accounts.

In addition, the receivables from the clearing brokers are pursuant to these clearance agreements and include clearing deposits of approximately \$950,000.

9. Concentrations of credit risk

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company maintains its cash balances in various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution.

10. Exemption from Rule 15c3-3

The Company is exempt from the Securities and Exchange Commission Rule 15c3-3 pursuant to the exemptive provision under subparagraph (k)(2)(ii) as all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

11. Commitments

The Company rents the majority of its office space under a non-cancelable lease agreement which expires in April 2012. Rent expense under this agreement and other agreements for temporary office space charged to operations for the year ended December 31, 2009 was approximately \$350,000.

In December 2009, the Company entered into a new lease agreement for office space which commences in February 2010, and which expires in February 2020.

DIRECT ACCESS PARTNERS, LLC

NOTES TO FINANCIAL STATEMENT

11. Commitments (continued)

Aggregate future lease payments for the five years subsequent to December 31, 2009 are as follows:

| Year Ending December 31, | |
|--------------------------|---------------------|
| 2010 | \$ 382,000 |
| 2011 | 611,000 |
| 2012 | 504,000 |
| 2013 | 449,000 |
| 2014 | 449,000 |
| Thereafter | <u>2,526,000</u> |
| | <u>\$ 4,921,000</u> |

12. Employee benefit plan

The Company maintains a defined contribution profit sharing plan (the "Plan"), for its eligible employees. Contributions to the Plan, if any, are determined by the employer and come out of its current accumulated profits. The Company's contribution for any fiscal year shall not exceed the maximum allowable as a deduction to the employer under the provisions of Section 404 of the Internal Revenue Code. For the year ended December 31, 2009, the Company elected to contribute \$150,000 to the Plan.