

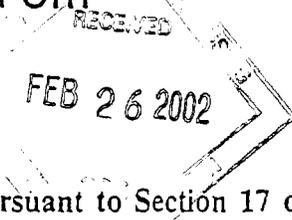


UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8- 51431



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 1/1/2001 AND ENDING 12/31/2001  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Presidio Merchant Partners LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

832 Sansome Street, First Floor

(No. and Street)

San Francisco

(City)

California

(State)

94111

(Zip Code)

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

Mr. Brodie L. Cobb

415-733-0000

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Rowbotham & Company LLP

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

400 Montgomery Street, Suite 600, San Francisco, CA

(Address)

(City)

(State)

94104

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 12 2002

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THOMSON  
FINANCIAL

\*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).

**PRESIDIO MERCHANT PARTNERS LLC**

**FINANCIAL STATEMENTS**

*For the Years Ended December 31, 2001 and 2000  
With  
Report of Independent Auditors*

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**Report of Independent Auditors**

To the Member:

We have audited the accompanying statements of financial condition of Presidio Merchant Partners LLC as of December 31, 2001 and 2000, and the related statements of operations, changes in members' equity, and cash flows for the years then ended. 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 audits.

We conducted our audits 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 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 audits provide 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 Presidio Merchant Partners LLC as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

*Rowbotham & Company LLP*  
San Francisco, California  
February 22, 2002

PRESIDIO MERCHANT PARTNERS LLC

Oath of Corporate Officer  
December 31, 2001

I hereby affirm that the accompanying financial statements and schedules have been examined by me and, accordingly, I make the following statement:

The financial statements and schedules are true and correct and that no officer has any proprietary interest in any account classified solely as that of a customer to the best of my knowledge and belief.

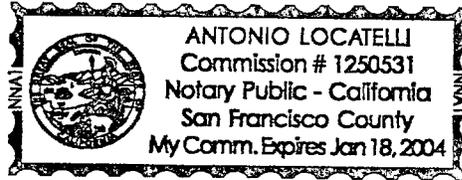


Brodie L. Cobb  
Presidio Merchant Partners LLC

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 25<sup>th</sup> DAY OF FEB., 2002  
BY BRODIE LYLE COBB

Antonio Locatelli  
NOTARY PUBLIC



**PRESIDIO MERCHANT PARTNERS LLC**

**Statements of Financial Condition**

*As of December 31, 2001 and 2000*

**Assets**

	<u>2001</u>	<u>2000</u>
Cash and cash equivalents	\$192,129	\$191,636
Accounts receivable	258,789	---
Due from related party	---	5,000
Property and equipment, net	<u>20,909</u>	<u>---</u>
Total assets	<u>\$471,827</u>	<u>\$196,636</u>

**Liabilities and Members' Equity**

Customer prepayment	<u>\$ 1,049</u>	<u>\$ ---</u>
Total liabilities	<u>1,049</u>	<u>---</u>
Members' equity	<u>470,778</u>	<u>196,636</u>
Total members' equity	<u>470,778</u>	<u>196,636</u>
Total liabilities and members' equity	<u>\$471,827</u>	<u>\$196,636</u>

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

**PRESIDIO MERCHANT PARTNERS LLC**

**Statements of Operations**

*For the Years Ended December 31, 2001 and 2000*

	<u>2001</u>	<u>2000</u>
Revenues:		
Fees	\$915,560	\$507,046
Interest	4,912	5,583
Total revenues	<u>920,472</u>	<u>512,629</u>
Expenses:		
Overhead payments	---	538,800
General and administrative	806,961	8
Taxes	3,984	800
Total expenses	<u>810,945</u>	<u>539,608</u>
Net income (loss)	<u>\$109,527</u>	<u>\$(26,979)</u>

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

**PRESIDIO MERCHANT PARTNERS LLC**

**Statements of Changes in Members' Equity**  
*For the Years Ended December 31, 2001 and 2000*

	<u>Members' Equity</u>
Balance at January 1, 2000	\$223,615
Net loss	<u>(26,979)</u>
Balance at December 31, 2000	196,636
Capital withdrawals	(101,500)
Capital contributions	266,115
Net income	<u>109,527</u>
Balance at December 31, 2001	<u>\$470,778</u>

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

**PRESIDIO MERCHANT PARTNERS LLC**

**Statements of Cash Flows**  
*For the Years Ended December 31, 2001 and 2000*

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Net income (loss)	\$ 109,527	\$ (26,979)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Loss on disposal of property and equipment	896	---
Change in:		
Accounts receivable	(258,789)	---
Due from related party	5,000	141,428
Customer prepayment	1,049	---
Net cash provided by (used in) operating activities	<u>(142,317)</u>	<u>114,449</u>
Cash flow from investing activities:		
Purchase of property and equipment	<u>(14,690)</u>	<u>---</u>
Net cash flow used in investing activities	<u>(14,690)</u>	<u>---</u>
Cash flows used in financing activities:		
Capital withdrawals	(101,500)	---
Capital contributions	<u>259,000</u>	<u>---</u>
Net cash provided by financing activities	<u>157,500</u>	<u>---</u>
Increase in cash	493	114,449
Cash and cash equivalents:		
At the beginning of the year	<u>191,636</u>	<u>77,187</u>
At the end of the year	<u>\$ 192,129</u>	<u>\$191,636</u>

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

# PRESIDIO MERCHANT PARTNERS LLC

## Notes to the Financial Statements

For the Years Ended December 31, 2001 and 2000

### 1. Summary of Significant Accounting Policies

**General** - Presidio Merchant Partners LLC, formerly GBA Financial Group LLC, name was changed in 2001, is a limited liability company established on October 23, 1998. The last date on which Presidio Merchant Partners LLC is to dissolve is December 31, 2030. On August 3, 1999, the National Association of Securities Dealers, Inc. approved GBA Financial Group LLC's membership and GBA Financial Group LLC began conducting business on October 6, 1999. Presidio Merchant Partners LLC is an introducing broker. All customer transactions will clear through another broker-dealer on a fully disclosed basis.

**Basis of accounting** - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition** - Presidio Merchant Partners LLC's revenues are recognized when earned.

**Expense Recognition** - Presidio Merchant Partners LLC's expenses are charged to expense as incurred.

**Cash Equivalents** - For purposes of reporting cash flow, cash and cash equivalents includes a money market account in the amount of \$205,797 and \$57,324 at December 31, 2001 and 2000. Cash and cash equivalents in excess of federally insured limits were \$92,129 at December 31, 2001.

**Property and Equipment** - Property and equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Lives</u>
Equipment	5 years
Furniture and fixtures	7 years

**Income Taxes** - Presidio Merchant Partners LLC is treated as a partnership for federal and state income tax purposes. Consequently, no provision has been made for federal or state income taxes, since these taxes are the responsibility of the members.

**Concentration of Risk** - Financial instruments that potentially subject Presidio Merchant Partners LLC to a concentration of credit principally consist of cash and cash equivalents and accounts receivable.

Presidio merchant Partners LLC's receivables are principally with companies in the Continental United States. Presidio Merchant Partners LLC performs ongoing credit evaluations and generally does not require collateral. Historically, Presidio Merchant Partners has not incurred any significant credit related losses.

## PRESIDIO MERCHANT PARTNERS LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2001 and 2000

#### 2. Related Party Transactions

In accordance with an expense sharing agreement, Presidio Merchant Partners LLC incurred an expense for overhead payments of \$538,800 for year ended December 31, 2000. This agreement was cancelled, effective January 1, 2001. Subsequent to January 1, 2001, all expenses incurred by Presidio Merchant Partners LLC were paid for by Presidio Merchant Partners LLC.

At December 31, 2000 Presidio Merchant LLC was owed \$5,000 from Presidio Strategies LLC. \$5,000 was repaid in 2001 and \$397,372 of funds were advanced in 2000. \$538,800 for overhead payments due in 2000 were applied against advances in 2000.

#### 3. Property and Equipment

Property and equipment is as follows:

	<u>2001</u>	<u>2000</u>
Equipment	\$30,273	\$---
Furniture and fixtures	18,323	---
Total property and equipment	48,596	---
Less accumulated depreciation	<u>(27,687)</u>	<u>(---)</u>
Property and equipment, net	<u>\$20,909</u>	<u>\$---</u>

#### 4. Major Customers

During 2001, Presidio Merchant Partners LLC had fees of \$535,983 to three customers representing 58% of the total fees. Accounts receivable includes \$250,000 due from one customer.

#### 5. Simple IRA

Presidio Merchants Partners LLC has a qualified employee savings plan. Presidio Merchants Partners LLC is required to make annual contributions on behalf of eligible employees. Presidio Merchant Partners LLC expense was \$5,940 for the year ended December 31, 2001.

**PRESIDIO MERCHANT PARTNERS LLC**

**Notes to the Financial Statements**

*For the Years Ended December 31, 2001 and 2000*

**6. Cash Flow Information**

Noncash investing and financing activity:

	<u>2001</u>	<u>2000</u>
Member contribution of property and equipment	<u>\$7,115</u>	<u>\$---</u>

**7. Net Capital Requirements**

Presidio Merchant Partners LLC is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to capital, both as defined, shall not exceed 15 to 1. At December 31, 2001 and 2000, Presidio Merchant Partners LLC had net capital of \$176,674 and \$187,623. Net capital is \$171,674 and \$182,623 in excess of its required net capital of \$5,000. At December 31, 2001 and 2000, Presidio Merchant Partners LLC ratio of aggregated indebtedness to net capital was and 0.00 to 1.

Supplementary Information



**Report of Independent Auditors on Supplementary Information**

To the Member:

We have audited the accompany financial statements of Presidio Merchant Partners LLC as of and for the year ended December 31, 2001, and have issued our report thereon dated February 22, 2002. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in the following pages are 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 of the Securities and Exchange Commission. The supplementary information contained in the following page has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Rowbotham & Company LLP*  
San Francisco, California  
February 22, 2002

**PRESIDIO MERCHANT PARTNERS LLC**

**Computation of Net Capital**  
**Under Rule 15c3-1 of the Securities and Exchange Commission**  
*As of December 31, 2001*

Net Capital

Total members' equity from statement of financial condition	\$470,778
Deduct members' equity not allowed for net capital	---
Total members' equity qualified for net capital	470,778
 Add:	
Liabilities subordinated to claims of general creditors allowable in computation of net capital	---
Other (deductions) or allowable credits	---
Total capital and allowable subordinated liabilities	470,778
 Deductions and/or charges:	
Total nonallowable assets from statement of financial condition	(279,698)
Secured demand note deficiency	---
Commodity futures contracts and spot commodities – proprietary capital charges	---
Other deductions and/or charges	---
Other additions and/or credits	---
Net capital before haircut on securities position	191,080
 Haircuts on securities:	
Contractual securities commitments	---
Subordinated securities borrowings	---
Trading and investment securities	---
Undue concentration	---
Other – money market account	(14,406)
Net capital	\$176,674
Net capital requirement	\$ 5,000
Excess net capital	\$171,674
Excess capital at 1000%	\$176,674

Aggregate Indebtedness

Total liabilities from statement of financial condition	\$ 1,049
Less non-aggregate indebtedness	(1,049)
Total aggregated indebtedness	\$ ---
Ratio: Aggregated indebtedness to net capital	0.00 to 1

**PRESIDIO MERCHANT PARTNERS LLC**

**Computation for Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
*As of December 31, 2001***

Presidio Merchant Partners LLC has no reserve requirements as of December 31, 2001, under Rule 15c3-3.

**PRESIDIO MERCHANT PARTNERS LLC**

**Information Relating to Possession or Control Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission**  
*As of December 31, 2001*

Presidio Merchant Partners LLC is in compliance with provisions of Rule 15c3-3(b), 15c3-3(c), and 15c3-3(d) at December 31, 2001.

**PRESIDIO MERCHANT PARTNERS LLC**

**Reconciliation Pursuant to Rule 17a-5(d)(4) of the Securities and Exchange Commission**

*As of December 31, 2001*

Reconciliation of differences between Computation of Net Capital as filed by Presidio Merchant Partners LLC in Part IIA and computation contained in supplementary information to the financial statements:

Net capital as reported by Presidio Merchant Partners LLC	\$174,727
Differences:	
Audit adjustment for deposit-in-transit	<u>1,947</u>
Net capital as reported in the financial statements	<u>\$176,674</u>



**Report of Independent Auditors on Internal Control**

To the Member:

In planning and performing our audit of the financial statements and supplementary information of Presidio Merchant Partners LLC, for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures followed by Presidio Merchant Partners LLC including 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 exemption provisions of rule 15c3-3. Because Presidio Merchant Partners LLC does not carry securities accounts for customers or performs custodial functions relating to customer securities, we did not review the practices and procedures followed by Presidio Merchant Partners LLC in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. 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 Presidio Merchant Partners LLC 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 Securities and Exchange Commission'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 Presidio Merchant Partners LLC 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 accepted accounting principles generally accepted in the United State 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 or the practices and procedures referred to above, errors 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.

Our consideration of internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that errors or fraud 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 function. However, we noted no matters involving the internal control, including 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 Securities and Exchange Commission to be adequate for its purpose 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 Presidio Merchant Partners LLC's practices and procedures were adequate at December 31, 2001, to meet the Securities and Exchange Commission's objectives.

This report is intended solely for the information and use of the member, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., and other national securities associations or national securities exchanges that rely on Rule 17a-5(g) under the Securities and 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.

*Rowbotham & Company LLP*  
San Francisco, California  
February 22, 2002

OATH OR AFFIRMATION

I, Brodie L. Cobb, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Presidio Merchant Partners LLC, as of December 31, 2001, 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:

None

SUBSCRIBED AND SWORN TO BEFORE ME

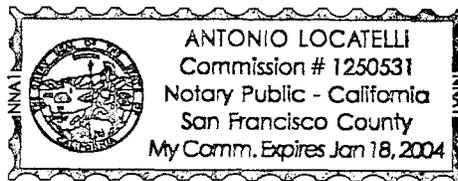
THIS 25<sup>th</sup> DAY OF FEB., 2002

BY BRODIE LYLE COBB

Antonio Locatelli  
NOTARY PUBLIC

Notary Public

Thomas J. [Signature]  
Signature  
Managing Director  
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.

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

**PRESIDIO MERCHANT PARTNERS LLC**



**Rowbotham**  
& COMPANY LLP