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3-11-02



SECURITIES AND COMMISSION  
WASHINGTON, D.C. 20549

3/6  
OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00

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

SEC FILE NUMBER  
8- 22338

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CFC Equities, LLC

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

2 Bay Club Drive, Apt. 4LE

(No. and Street)

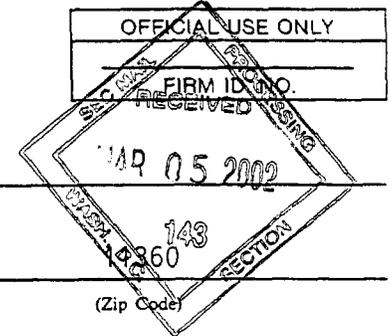
Bayside

New York

(City)

(State)

(Zip Code)



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

Neil Sumner

212-997-1650

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Sumner, Neil

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

130 West 42nd Street, Suite 1906

New York

New York

10036-7901

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

PROCESSED

FOR OFFICIAL USE ONLY  
MAR 12 2002  
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).

3/12/02  
SS

OATH OR AFFIRMATION

I, Samuel Weiss, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CFC Equities, 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:

State of New York)
County of Queens:) ss.
Sworn to and subscribed before me this
25 day of Feb, 2002.

Samuel Weiss
Signature
Member
Title

Joan Hymowitz
Notary Public

JOAN HYMOWITZ
NOTARY PUBLIC, State of New York
No. 41-4857193
Qualified in Queens County
Commission Expires April 21, 2002

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. Cash Flows
(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.
x Notes to financial statements.

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

# FOCUS REPORT

OMB No. 3235-0123  
(5-31-87)

## FORM X-17A-5

(Financial and Operational Combined Uniform Single Report)

### PART IIA 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
 4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

8-22338 14

CFC Equities, LLC 13

FIRM ID. NO.

11-3579179 15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

FOR PERIOD BEGINNING (MM/DD/YY)

2 Bay Club Drive, Apt. 4LE 20  
(No. and Street)

01/01/01 24

AND ENDING (MM/DD/YY)

Bayside 21 New York 22 11360 23  
(City) (State) (Zip Code)

12/31/01 25

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

(Area Code)—Telephone No

Neil Sumner 30

212-997-1650 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

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- DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41  
 CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

10-003736-M  
CFC EQUITIES  
SAMUEL WEISS  
P.O. BOX 4081,  
BAY TERRACE

#### EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Manual signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

I I A  
NY  
11360

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Sumner, Neil

70

ADDRESS

Number and Street

City

State

Zip Code

130 W. 42 St., Suite 1906

New York

New York

10036-7901

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Check One

Certified Public Accountant

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FOR SEC USE

Public Accountant

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Accountant not resident in United States or any of its possessions

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DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER

CFC Equities, LLC

N 3

100

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12/31/01

SEC FILE NO. 8-22338

99

98

Consolidated

198

Unconsolidated

199

**ASSETS**

Allowable

Non-Allowable

Total

1. Cash	\$ 37,922	200	\$ 37,922	750
2. Receivables from brokers or dealers:				
A. Clearance account		295		
B. Other	17,844	300	17,844	810
3. Receivables from non-customers		355	600	830
4. Securities and spot commodities owned, at market value:				
A. Exempted securities		418		
B. Debt securities		419		
C. Options		420		
D. Other securities	59,220	424		
E. Spot commodities		430	59,220	850
5. Securities and/or other investments not readily marketable:				
A. At cost \$	130			
B. At estimated fair value		440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities \$	150			
B. Other securities \$	160			
7. Secured demand notes: market value of collateral:				
A. Exempted securities \$	170			
B. Other securities \$	180			
8. Memberships in exchanges:				
A. Owned, at market \$	190			
B. Owned, at cost			650	
C. Contributed for use of the company, at market value			660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490	680	920
11. Other assets		535	735	930
12. TOTAL ASSETS	\$ 114,986	540	\$ 114,986	940

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER **CFC Equities, LLC**

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	431 1205	1385	431 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders	\$ 970		
2. Includes equity subordination (15c3-1 (d)) of	\$ 980		
B. Securities borrowings, at market value:		1410	1720
from outsiders	\$ 990		
C. Pursuant to secured demand note collateral agreements:		1420	1730
1. from outsiders	\$ 1000		
2. Includes equity subordination (15c3-1 (d)) of	\$ 1010		
D. Exchange memberships contributed for use of company, at market value:		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 431 1230	\$ 1450	\$ 431 1760

**Ownership Equity**

21. Sole proprietorship		\$ 1770
22. Partnership (limited partners)	\$ 1020	1780
23. Corporation:		
A. Preferred stock		1791
B. Common stock		1792
C. Additional paid-in capital		1793
D. Retained earnings		1794
E. Total		1795
F. Less capital stock in treasury		1796
24. TOTAL OWNERSHIP EQUITY		\$ 114,555 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 114,986 1810

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**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

**CFC Equities, LLC**

as of 12/31/01

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition.....	\$	114,555		3480
2. Deduct ownership equity not allowable for Net Capital.....	(			3490
3. Total ownership equity qualified for Net Capital.....		114,555		3500
4. Add:				
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....				3520
B. Other (deductions) or allowable credits (List).....				3525
5. Total capital and allowable subordinated liabilities.....	\$	114,555		3530
6. Deductions and/or charges:				
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$			3540	
B. Secured demand note deficiency.....			3590	
C. Commodity futures contracts and spot commodities- proprietary capital charges.....			3600	
D. Other deductions and/or charges.....			3610	
7. Other additions and/or allowable credits (List).....	(			3620
8. Net capital before haircuts on securities positions.....	\$	114,555		3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):				
A. Contractual securities commitments.....	\$		3660	
B. Subordinated securities borrowings.....			3670	
C. Trading and investment securities:				
1. Exempted securities.....			3735	
2. Debt securities.....			3733	
3. Options.....			3730	
4. Other securities.....		1,184	3734	
D. Undue Concentration.....			3650	
E. Other (List).....			3736	
10. Net Capital.....	\$		1,184	3740
		113,371		3750

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER **CFC Equities, LLC**

as of 12/31/01

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	29	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	2,500	3758
13. Net capital requirement (greater of line 11 or 12)	\$	2,500	3760
14. Excess net capital (line 10 less 13)	\$	110,871	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	113,328	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.L. liabilities from Statement of Financial Condition	\$	431	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
19. Total aggregate indebtedness	\$	431	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	.3802	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	.3788	3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	3880
24. Net capital requirement (greater of line 22 or 23)	\$	3910
25. Excess net capital (line 10 less 24)	\$	3910
26. Net capital in excess of:		
5% of combined aggregate debit items or \$120,000	\$	3920

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**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**      CFC Equities, LLC

For the period (MMDDYY) from 01/01/01 3932 to 12/31/01 3933  
 Number of months included in this statement 12 3931

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$		3935
b. Commissions on listed option transactions	"		3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
3. Gains or losses on firm securities investment accounts			3952
4. Profit (loss) from underwriting and selling groups	"		3955
5. Revenue from sale of investment company shares		133,992	3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		2,289	3995
9. Total revenue	\$	136,281	4030

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers	\$		4120
11. Other employee compensation and benefits	"		4115
12. Commissions paid to other broker-dealers			4140
13. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements		4070	966
14. Regulatory fees and expenses			4195
15. Other expenses		47,883	4100
16. Total expenses	\$	48,849	4200

**NET INCOME**

17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	87,432	4210
18. Provision for Federal income taxes (for parent only)	"		4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of		4238	
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of		4239	
21. Cumulative effect of changes in accounting principles			4225
22. Net Income (loss) after Federal income taxes and extraordinary items	\$	87,432	4230

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$	N/A	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**      CFC Equities, LLC

For the period (MMDDYY) from 01/01/01 to 12/31/01

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period .....		\$	105,448	4240
A. Net income (loss) .....			87,432	4250
B. Additions (Includes non-conforming capital of .....		\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	Distributions	\$	78,325	4272
			(78,325)	4270
2. Balance, end of period (From item 1800) .....		\$	114,555	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period .....		\$		4300
A. Increases .....				4310
B. Decreases .....				4320
4. Balance, end of period (From item 3520) .....		\$		4330

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b>	CFC Equities, LLC	as of <u>12/31/01</u>
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**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |                        |      |
|--|------------------------|------|
| A. (k) (1)—\$2.500 capital category as per Rule 15c3-1 .....   |                        | 4550 |
| B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained .....  | Organization is exempt | 4560 |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm: ..... | 4335                   | 4570 |
| D. (k) (3)—Exempted by order of the Commission .....   |                        | 4580 |

**CFC Equities, LLC**  
Statement of Cash Flows  
Year Ended December 31, 2001

*Cash flows from operating activities:*

Cash received from principals	134,926
Operating expenses	<u>(49,053)</u>
Net cash provided by operating activities	<u>85,873</u>

*Cash flows from investing activities*

Dividend income	<u>2,289</u>
Net cash provided by investing activities	<u>2,289</u>

*Cash flows from financing activities:*

Withdrawals by owner	<u>(78,325)</u>
Net cash used by financing activities	<u>(78,325)</u>
Net increase in cash	9,837
Cash and cash equivalents - January 1, 2000	<u>87,305</u>
Cash and cash equivalents - December 31, 2000	<u><u>97,142</u></u>

See accountant's report and notes to financial statements.

CFC EQUITIES, LLC  
Notes to Financial Statements  
December 31, 2001

- Note 1 - Respondent has no liabilities subordinated to claims of general creditors.
- Note 2 - Respondent is exempt from computation for determination of reserve requirements.
- Note 3 - Respondent is exempt from submitting information relating to possession or control requirements.
- Note 4 - Respondent has complied with exemptive provision from Rule 15C3-3 during year under audit.
- Note 5 - Respondent is exempt from membership in the Securities Investor Protections Corporation, and therefore, a supplemental report pursuant to Rule 17a5(e)(4) is not applicable.
- Note 6 - Cash equivalents consist of uninsured money market accounts that are available for use in current operations. Cash equivalents totaled \$59,220 and cash in bank totaled \$37,922 at December 31, 2001.
- Note 7 - Reconciliation - Computation of Net Capital

Focus Report - December 31, 2001 Cash Basis submitted by CFC Equities, LLC

Net capital before haircuts	97,239
Deduct: Haircut	<u>(1,186)</u>
Net capital as reported	96,053
Deduct: error in reporting other assets	(100)
Add: correction of haircut	2
Add: Commission receivable	17,844
Add: Cash Adjustment	3
Deduct: Accrued Expenses	<u>( 431)</u>
Net capital - Accrual basis, audited report	<u>113,371</u>

- Note 8 - On December 6, 2000 Respondent formed a sole member limited liability company which is a disregarded entity for income tax purposes. Accordingly, no provision has been made for income taxes in the attached statement of income. Respondent which prior to the formation of his limited liability company operated as a sole proprietorship conducts all business in the name of his limited liability company, CFC Equities, LLC. which operations are otherwise unchanged.

Neil Sumner

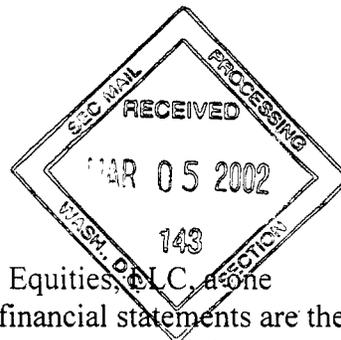
Certified Public Accountant

130 West 42<sup>nd</sup> Street, Suite 1906  
New York, New York 10036-7901

Tel: 212-997-1650  
Fax: 212-704-0982

INDEPENDENT AUDITOR'S REPORT

Mr. Samuel Weiss, Sole Member  
CFC Equities, LLC  
2 Bay Club Drive  
Bayside, New York 11360



Dear Mr. Weiss:

I have audited the accompanying financial statements of CFC Equities, LLC, a one member limited liability company, as of December 31, 2001. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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 disclosure 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. I believe that my audit provides a reasonable basis for my opinion.

Based upon the scope of my audit, no material inadequacies have been found to exist in the accounting system, the internal accounting control and in procedures for safeguarding securities.

In my opinion, the financial statements as contained in the Focus Report Form X-17A-5 and the accompanying statement of cash flows and notes present fairly in all material respects the financial position of CFC Equities, LLC as of December 31, 2001 and the result of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

New York, New York  
February 12, 2002

*Neil Sumner, CPA*  
NEIL SUMNER, C.P.A.

Sworn to before me this 20th day  
of February, 2002

Notary Public

KAREN Russo  
Notary Public, State of New York  
No. 41 0770083  
Qualified in Queens County  
Commission Expires March 30, 2002