

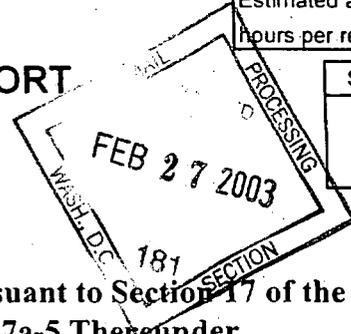


UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

TC 3/3

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| OMB APPROVAL | |
| OMB Number: | 3235-0123 |
| Expires: | October 31, 2004 |
| Estimated average burden hours per response | 12.00 |
| SEC FILE NUMBER | |
| 8 - 53364 | |



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 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Forum Capital Partners, L.L.C.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
330 Madison Avenue, 9th Floor
(No. and Street)

New York New York 10017
(City) (State) (Zip Code)

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO. |

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Jeffrey M. Stern (212) 290-1765
(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)

1177 Avenue of the Americas New York New York 10036
(Address) (City) (State) (Zip Code)

- CHECK ONE:
- Certified Public Accountant
 - Public Accountant
 - Accountant not resident in United States or any of its possessions

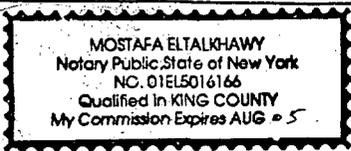
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, Jeffrey M. Stern, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Forum Capital Partners, L.L.C., as of December 31, 2002, 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:



Handwritten signature of Jeffrey M. Stern, Signature, and handwritten title 'Managing Member', Title.

Handwritten signature of Notary Public, Notary Public.

This report** contains (check all applicable boxes):

- Checkboxes for report contents: (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).

FORUM CAPITAL PARTNERS, L.L.C.
STATEMENT OF FINANCIAL CONDITION
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2002

FORUM CAPITAL PARTNERS, L.L.C.

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1177 Avenue of the Americas
New York, New York 10036
212-997-0500/Fax 212-730-6892
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Rothstein, Kass & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Managing Member of
Forum Capital Partners, L.L.C.

We have audited the accompanying statement of financial condition of Forum Capital Partners, L.L.C. (the "Company") as of December 31, 2002. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes 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 Forum Capital Partners, L.L.C. as of December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Rothstein, Kass & Company, P.C.

New York, New York
February 10, 2003

FORUM CAPITAL PARTNERS, L.L.C.

STATEMENT OF FINANCIAL CONDITION

December 31, 2002

ASSETS

| | | |
|--------------|----|---------------|
| Cash | \$ | 37,810 |
| Other assets | | <u>26,332</u> |
| | \$ | <u>64,142</u> |

LIABILITY AND MEMBER'S EQUITY

| | | |
|-----------------------------|----|---------------|
| Liability, accounts payable | \$ | 1,000 |
| Commitments | | |
| Member's equity | | <u>63,142</u> |
| | \$ | <u>64,142</u> |

FORUM CAPITAL PARTNERS, L.L.C.

NOTES TO FINANCIAL STATEMENTS

1. Nature of business

Forum Capital Partners, L.L.C. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD). The Company's business is primarily comprised of capital raising and private placement services.

2. Summary of significant accounting policies

Advisory Income

Advisory fees are recognized as earned on a pro rata basis over the term of the related contract.

Income Taxes

The Company has elected to be treated as a limited liability company under the applicable provisions of the income tax laws. Accordingly, no income taxes are paid by the Company as earnings and losses will flow through directly to the member.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

3. Net capital requirement

The Company is a member of the NASD, and 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, 2002, the Company's net capital was approximately \$36,800, which was approximately \$31,800 in excess of its minimum requirement of approximately \$5,000.

4. Exemption from Rule 15c3-3

The Company is exempt from the SEC Rule 15c3-3 and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

FORUM CAPITAL PARTNERS, L.L.C.

NOTES TO FINANCIAL STATEMENTS

5. Related party transactions

Pursuant to a service agreement, the Company's parent provides various services and other items to the Company. These include professional services, physical premises, utilities, the use of fixed assets, travel, insurance, subscriptions, taxes, personnel and other general and administrative services for which the Company pays its parent. For the year ended December 31, 2002, this payment amounted to \$28,000.

The Company believes that had these services and other items been provided by outside third parties, the cost of these expenses would have been more than that amount. The excess costs over the fees paid to the parent, if any, were absorbed by the parent.

The Company expects to continue this relationship with its parent in the immediate future. It can be changed in the future by mutual agreement of the parties.

During 2002, pursuant to agreement with various lessors, the parent assumed the Company's obligation on various capitalized leases.

6. Major customer

The advisory fees earned in 2002 were from one customer.