

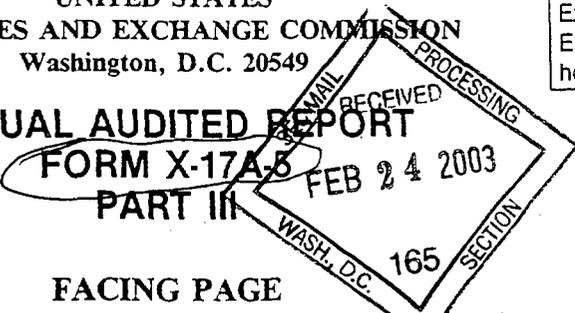


AB 3/03/03

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

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 51890

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:

Techvest, LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

570 Seventh Avenue

New York (City) 10018 (Zip Code)

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

Michael Ehrenreich

212-267-4646  
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Bernath & Rosenberg, P.C.

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

1140 Ave of The Americas New York NY 10036  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

MAR 21 2003

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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).

OATH OR AFFIRMATION

I, Michael Ehrenreich, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Techvest, LLC, as of December 31, 2007, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Signature  
member  
Title

[Signature]  
Notary Public  
February 19, 2008

**SYLVIA BOSWELL**  
Notary Public, State of New York  
No. 01B04516864  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires Sept. 30, 2008

- 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).



**BERNATH & ROSENBERG, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL PLANNERS

James H. Bernath CPA/PFS, CFP  
Jacob I. Rosenberg CPA/PFS, CFP

1140 Avenue of the Americas  
New York, NY 10036-5803  
Tel: (212) 221-1140  
Fax: (212) 221-1944

INDEPENDENT AUDITOR'S REPORT

To the Member  
TECHVEST, LLC  
New York, New York

We have audited the accompanying statement of financial condition of **TECHVEST, LLC**, a New York Limited Liability Company as of December 31, 2002 and the related statements of income, retained earnings and cash flows for the year 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 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 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 audit provides 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 **TECHVEST, LLC** as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Bernath & Rosenberg, P.C.*  
**BERNATH & ROSENBERG, P.C.**  
Certified Public Accountant

New York, NY  
February 10, 2003

FOCUS REPORT (FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT) PART IIA 12

(Please read instructions before preparing Form)

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

- 1) Rule 17a-5(a) [X] 16, 2) Rule 17a-5(b) [ ] 17, 3) Rule 17a-11 [ ] 18, 4) Special request by designated examining authority [ ] 19, 5) Other [ ] 25

NAME OF BROKER-DEALER

Techvest LLC

SEC. FILE NO.

8-51890

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

570 Seventh Ave

FIRM ID NO.

47744

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/02

AND ENDING (MM/DD/YY)

12/31/02

New York

NY

10018

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

Michael Ehrenreich

212-262-4646

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

OFFICIAL USE

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

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 19 day of Feb. 15 2003

Manual Signatures of

1) [Signature] 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. 78f (a))

DEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

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

Bernath J Rosenberg PC

70

ADDRESS

1140 Ave of The Americas NY

70

NY

70

10036

Number and Street

City

State

Zip Code

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

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| WORK LOCATION | REPORT DATE<br>MM/DD/YY | DOC. SER. NO. | CARD |  |  |  |
|---------------|-------------------------|---------------|------|--|--|--|
|               |                         |               |      |  |  |  |

50

51

52

53

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

as of (MM/DD/YY)

12/31/02

SEC FILE NO.

8-57890

Consolidated

199

Unconsolidated

199

ASSETS

Allowable

Non-Allowable

Total

|  |          |     |          |     |
|--|----------|-----|----------|-----|
| 1. Cash  | \$ 14921 | 200 | \$ 14921 | 750 |
| 2. Receivables from brokers or dealers:  |          |     |          |     |
| A. Clearance account   |          | 295 |          |     |
| B. Other   |          | 300 | 550      | 310 |
| 3. Receivables from non-customers  |          | 355 | 600      | 330 |
| 4. Securities and spot commodities owned, at market value:   |          |     |          |     |
| A. Exempted securities   |          | 415 |          |     |
| B. Debt securities   |          | 415 |          |     |
| C. Options   |          | 420 |          |     |
| D. Other securities  |          | 420 |          |     |
| E. Spot commodities  |          | 430 |          | 350 |
| 5. Securities and/or other investments not readily marketable:   |          |     |          |     |
| A. At cost   | \$ 130   |     |          |     |
| B. At estimated fair value   |          | 40  | 310      | 360 |
| 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:   |          | 470 | 640      | 330 |
| 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 | 1763     | 690 |
| 11. Other assets   |          | 535 | 48388    | 735 |
| 12. Total Assets   | \$ 14921 | 840 | \$ 50151 | 740 |
|  |          |     |          | 940 |

OMIT PENNIES

Techwest LLC

as of 12/31/02

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY

| Liabilities  | A.I.<br>Liabilities | Non-A.I.<br>Liabilities | Total     |
|--|---------------------|-------------------------|-----------|
| 3. Bank loans payable  | \$ 1045             | \$ 1255                 | 1470      |
| 4. Payable to brokers or dealers:  |                     |                         |           |
| A. Clearance account   | 1114                | 1319                    | 1560      |
| B. Other   | 1115                | 1305                    | 1540      |
| 15. Payable to non-customers   | 1155                | 1355                    | 1610      |
| 16. Securities sold not yet purchased,<br>at market value:                 |                     | 1360                    | 1620      |
| 17. Accounts payable, accrued liabilities,<br>expenses and other           | 4318 1205           | 1335                    | 4318 1685 |
| 18. Notes and mortgages payable:   |                     |                         |           |
| A. Unsecured   | 1210                |                         | 1590      |
| B. Secured   | 1211                | 1390                    | 1700      |
| 19. Liabilities subordinated to claims<br>of general creditors:            |                     |                         |           |
| A. Cash borrowings:  |                     | 1400                    | 1710      |
| 1. from outsiders \$ 970   |                     |                         |           |
| 2. Includes equity subordination (15c3-1(d))<br>of \$ 380                  |                     |                         |           |
| B. Securities borrowings, at market value<br>from outsiders \$ 990         |                     | 1410                    | 1720      |
| C. Pursuant to secured demand note<br>collateral agreements                |                     | 1420                    | 1730      |
| 1. from outsiders \$ 1000  |                     |                         |           |
| 2. Includes equity subordination (15c3-1(d))<br>of \$ 1010                 |                     |                         |           |
| D. Exchange memberships contributed for<br>use of company, at market value |                     | 1430                    | 1740      |
| E. Accounts and other borrowings not<br>qualified for net capital purposes |                     | 1440                    | 1750      |
| 20. TOTAL LIABILITIES  | \$ 4318 1230        | \$ 1450                 | 4318 1760 |

Ownership Equity

|  |         |  |               |
|--|---------|--|---------------|
| 21. Sole proprietorship                    |         |  | 1770          |
| 22. Partnership (limited partners)         | \$ 1020 |  | 60754 1780    |
| 23. Corporation:                           |         |  |               |
| A. Preferred stock                         |         |  | 1790          |
| B. Common stock                            |         |  | 1790          |
| C. Additional paid-in capital              |         |  | 1795          |
| D. Retained earnings                       |         |  | 1794          |
| E. Total                                   |         |  | 1795          |
| F. Less capital stock in treasury          |         |  | (1795)        |
| 24. TOTAL OWNERSHIP EQUITY                 |         |  | \$ 60754 1800 |
| 25. TOTAL LIABILITIES AND OWNERSHIP EQUITY |         |  | \$ 65072 1810 |

OMIT PENNIES

BUYER OR DEALER

Techvest, LLC

as of

12/31/02

COMPUTATION OF NET CAPITAL

|  |    |       |       |      |
|--|----|-------|-------|------|
| 1. Total ownership equity from Statement of Financial Condition                                    |    | \$    | 60754 | 3480 |
| 2. Deduct ownership equity not allowable for Net Capital   |    | (     |       | 3490 |
| 3. Total ownership equity qualified for Net Capital  |    |       | 60754 | 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  |    | \$    |       | 3530 |
| 6. Deductions and/or charges:  |    |       |       |      |
| A. Total non-allowable assets from   |    |       |       |      |
| Statement of Financial Condition (Notes B and C)   | \$ | 50151 |       | 3540 |
| B. Secured demand note deficiency  |    |       |       | 3550 |
| 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)   |    |       |       | 3630 |
| 8. Net Capital before haircuts on securities positions   |    | \$    | 10603 | 3640 |
| 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   |    |       |       | 3735 |
| 3. Options   |    |       |       | 3730 |
| 4. Other securities  |    |       |       | 3734 |
| D. Undue concentration   |    |       |       | 3650 |
| E. Other (List)  |    |       |       | 3735 |
| 10. Net Capital  |    | \$    | 10603 | 3750 |

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

|   |                       |
|---|-----------------------|
| BROKER OR DEALER<br><i>Techvest LLC</i> | as of <u>12/31/02</u> |
|---|-----------------------|

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

|  |                 |      |
|--|-----------------|------|
| 1. Minimum net capital required (6-2/3% of line 19)  | \$ <u>288</u>   | 3758 |
| 2. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ <u>5000</u>  | 3758 |
| 3. Net capital requirement (greater of line 11 or 12)  | \$ <u>5000</u>  | 3750 |
| 4. Excess net capital (line 10 less 13)  | \$ <u>5603</u>  | 3770 |
| 5. Excess net capital at 1000% (line 10 less 10% of line 19)   | \$ <u>10171</u> | 3730 |

COMPUTATION OF AGGREGATE INDEBTEDNESS

|  |                |                |
|--|----------------|----------------|
| 6. Total A.L. liabilities from Statement of Financial Condition                          | \$ <u>4318</u> | 3790           |
| 7. Add:  |                |                |
| A. Drafts for immediate credit   | \$ <u>3800</u> |                |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | \$ <u>3610</u> |                |
| C. Other unrecorded amounts (List)   | \$ <u>3820</u> | 3630           |
| 19. Total aggregate indebtedness   | \$ <u>3820</u> | 3840           |
| 20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)     | %              | <u>40</u> 3850 |
| 21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)  | %              | 3850           |

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 net capital computation including both brokers or dealers and consolidated subsidiaries' debits | \$ <u>3870</u> | 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)  | \$ <u>3880</u> | 3750 |
| 24. Net capital requirement (greater of line 22 or 23)   | \$ <u>3880</u> | 3810 |
| 25. Excess net capital (line 10 less 24)   | \$ <u>3820</u> | 3820 |
| 26. Net capital in excess of the greater of:<br>5% of combined aggregate debit items or 120% of minimum net capital requirement  | \$ <u>3820</u> | 3820 |

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 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the 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.

PART IIA

BROKER OR DEALER

Techvest, LLC

For the period (MMDDYY) from 01/01/02 3932 to 12/31/02 3933

Number of months included in this statement 12 3931

REVENUE

STATEMENT OF INCOME (LOSS)

|   |    |        |
|---|----|--------|
| 1. Commissions:   |    |        |
| a. Commissions on transactions in exchange listed equity securities executed on an exchange | \$ | 3939   |
| b. Commissions on listed option transactions  |    | 3938   |
| c. All other securities commissions   |    | 3938   |
| 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                          |    | 3949   |
| b. From all other trading   |    | 3949   |
| c. Total gain (loss)  |    | 3950   |
| 3. Gains or losses on firm securities investment accounts                                   |    | 3952   |
| 4. Profits (losses) from underwriting and selling groups                                    |    | 3955   |
| 5. Revenue from sale of investment company shares   |    | 3970   |
| 6. Commodities revenue  |    | 3990   |
| 7. Fees for account supervision, investment advisory and administrative services            |    | 3978   |
| 8. Other revenue  |    | 136535 |
| 9. Total revenue  | \$ | 136535 |

EXPENSES

|  |        |        |
|--|--------|--------|
| 10. Salaries and other employment costs for general partners and voting stockholder officers |        | 4130   |
| 11. Other employee compensation and benefits   | 101979 | 4115   |
| 12. Commissions paid to other brokers-dealers  |        | 4140   |
| 13. Interest expense   |        | 4075   |
| a. Includes interest on accounts subject to subordination agreements                         |        | 4070   |
| 14. Regulatory fees and expenses   | 903    | 4139   |
| 15. Other expenses   | 73014  | 4108   |
| 16. Total expenses   | \$     | 175896 |

NET INCOME

|   |    |         |
|---|----|---------|
| 17. Net Income (loss) before Federal income taxes and items below (Item 9 less item 16) | \$ | (39361) |
| 18. Provision for Federal income taxes (for parent only)                                |    | 4228    |
| 19. Equity in earnings (losses) of unconsolidated subsidiaries not included above       |    | 4232    |
| a. After Federal income taxes of  |    | 4238    |
| 20. Extraordinary gains (losses)  |    | 4229    |
| a. After Federal income taxes of  |    | 4238    |
| 21. Cumulative effect of changes in accounting principles                               |    | 4225    |
| 22. Net income (loss) after Federal income taxes and extraordinary items                | \$ | 4230    |

MONTHLY INCOME

|   |  |      |
|---|--|------|
| 23. Income (current month only) before provision for Federal income taxes and extraordinary items |  | 5021 |
|---|--|------|

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

*Techvest LLC*

For the period (MMDDYY) from 01/01/02 to 12/31/02

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

|   |       |    |                |             |
|---|-------|----|----------------|-------------|
| 1. Balance, beginning of period                   | ..... | \$ | <u>73213</u>   | <u>4240</u> |
| A. Net income (loss)                              | ..... |    | <u>(39361)</u> | <u>4250</u> |
| B. Additions (includes non-conforming capital of  | ..... | \$ | <u>4252</u>    | )           |
|   |       |    | <u>34902</u>   | <u>4280</u> |
| C. Deductions (includes non-conforming capital of | ..... | \$ | <u>4272</u>    | )           |
|   |       |    | <u>8000</u>    | <u>4270</u> |
| 2. Balance, end of period (from item 1800)        | ..... | \$ | <u>60754</u>   | <u>4290</u> |

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

|  |       |    |             |
|--|-------|----|-------------|
| 3. Balance, beginning of period            | ..... | \$ | <u>4300</u> |
| A. Increases                               | ..... |    | <u>4310</u> |
| B. Decreases                               | ..... |    | <u>4300</u> |
| 4. Balance, end of period (from item 3820) | ..... | \$ | <u>4300</u> |

OMIT PENNIES

BROKER OR DEALER

Techvest LLC

as of

12/31/02

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 ..... 4550
- C. (k) (2) (B) - All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm Correspondent Services Corp 8-42167 4333 Equities 4570
- D. (k) (3)-Exempted by order of the Commission ..... 4530

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

| Type of Proposed Withdrawal or Accrual (See below for code to enter) | Name of Lender or Contributor | Insider or Outsider ? (In or Out) | Amount to be withdrawn (cash amount and/or Net Capital Value of Securities) | (MMDDYY) Withdrawal or Maturity Date | Expect to Renew (Yes or No) |      |
|--|-------------------------------|-----------------------------------|---|--------------------------------------|-----------------------------|------|
| 4600   |                               | 4601                              | 4602  | 4603                                 | 4604                        | 4605 |
| 4610   |                               | 4611                              | 4612  | 4613                                 | 4614                        | 4615 |
| 4620   |                               | 4621                              | 4622  | 4623                                 | 4624                        | 4625 |
| 4630   |                               | 4631                              | 4632  | 4633                                 | 4634                        | 4635 |
| 4640   |                               | 4641                              | 4642  | 4643                                 | 4644                        | 4645 |
| 4650   |                               | 4651                              | 4652  | 4653                                 | 4654                        | 4655 |
| 4660   |                               | 4661                              | 4662  | 4663                                 | 4664                        | 4665 |
| 4670   |                               | 4671                              | 4672  | 4673                                 | 4674                        | 4675 |
| 4680   |                               | 4681                              | 4682  | 4683                                 | 4684                        | 4685 |
| 4690   |                               | 4691                              | 4692  | 4693                                 | 4694                        | 4695 |
|  |                               |                                   | TOTAL \$  | 4699                                 |                             |      |

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION
- 1. Equity Capital
  - 2. Subordinated Liabilities
  - 3. Accruals
  - 4. 15c3-1(c) (2) (iv) Liabilities



**BERNATH & ROSENBERG, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL PLANNERS

---

James H. Bernath CPA/PFS, CFP  
Jacob I. Rosenberg CPA/PFS, CFP

1140 Avenue of the Americas  
New York, NY 10036-5803  
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To the Member  
Techvest, LLC  
New York, NY

We have examined the accompanying financial statements of TECHVEST, LLC. for the year ended December 31, 2002, and have issued our report thereon dated February 10, 2003. As part of our examination, we made a study and evaluation of the Company's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

We also made a study of the practices and procedures followed by the Company under Rule 17a-5(g)(1) 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 comparisons, 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 Governor 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 a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control 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. The objectives of a system 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 the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

To the Members  
TECHVEST, LLC

Because of inherent limitations in any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may, nevertheless, 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 degree of compliance with them may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of TECHVEST, LLC. taken as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness.

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, 2002 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and the New York Stock Exchange and should not be used for any other purpose.

*Bernath & Rosenberg, P.C.*  
BERNATH & ROSENBERG, P.C.  
Certified Public Accountant

New York, NY  
February 10, 2003

**TECHVEST, LLC**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**



**BERNATH & ROSENBERG, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL PLANNERS

James H. Bernath CPA/PFS, CFP  
Jacob I. Rosenberg CPA/PFS, CFP

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INDEPENDENT AUDITOR'S REPORT

To the Member  
**TECHVEST, LLC**  
New York, New York

We have audited the accompanying statement of financial condition of **TECHVEST, LLC** as of December 31, 2002 and the related statements of income, retained earnings and cash flows for the year 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 the audit.

We conducted the audit in accordance with generally accepted auditing standards. 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 the audit provides a reasonable basis for my opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **TECHVEST, LLC** as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Bernath & Rosenberg, P.C.*

**BERNATH & ROSENBERG, P.C.**  
Certified Public Accountant

New York, NY  
February 10, 2003

TECHVEST, LLC  
Statement of Financial Condition  
December 31, 2002

| ASSETS                                 |           |
|--|-----------|
| Current Assets                         |           |
| Cash                                   | \$ 14,921 |
| Prepaid Expenses and Other Receivables | 35,487    |
| Total Current Assets                   | \$ 50,408 |
| Fixed Assets                           |           |
| Computer Equipment                     | 3,789     |
| Less: Accumulated Depreciation         | ( 2,026)  |
| Total Fixed Assets                     | 1,763     |
| Other Assets                           |           |
| Security Deposit                       | 9,000     |
| Organization Costs                     | 10,276    |
| Less: Accumulated Amortization         | ( 6,375)  |
| Total Other Assets                     | 12,901    |
| TOTAL ASSETS                           | 65,072    |
| LIABILITIES AND MEMBER'S EQUITY        |           |
| Accounts Payable                       | \$ 602    |
| Accrued Expenses and Payroll Taxes     | 3,716     |
| Total Liabilities                      | 4,318     |
| Member's Equity                        |           |
| Member's Equity                        | 60,754    |
| Total Member's Equity                  | 60,754    |
| TOTAL LIABILITIES AND MEMBER'S EQUITY  | \$ 65,072 |

See Accountants' Report and Notes to Financial Statements

Techvest, LLC  
 Statements of Income and Member's Equity  
 For the Year Ended December 31, 2002

|                                     |           |
|-------------------------------------|-----------|
| INCOME                              |           |
| Other Income                        | 136,531   |
| Total Income                        | 136,531   |
| OPERATING EXPENSES                  |           |
| Salaries                            | 101,979   |
| Professional Fees                   | 3,602     |
| Overhead Expenses                   | 37,446    |
| Registration & Filing Fees          | 903       |
| Bank Charges                        | 13        |
| Travel Expenses                     | 99        |
| Office Expenses                     | 6,475     |
| Insurance                           | 12,403    |
| Depreciation and amortization       | 2,813     |
| Payroll Taxes                       | 9,163     |
| Advertising and Promotion           | 1,000     |
| Total Operating Expenses            | 175,896   |
| Income from Operations              | ( 39,365) |
| Interest Income                     | 4         |
| Net Income                          | ( 39,361) |
| Member's Equity - Beginning of Year | 73,211    |
| Add: Member's Contributions         | 34,904    |
| Less: Member's Drawings             | ( 8,000)  |
| Member's Equity - End of Year       | \$ 60,754 |

See Accountants' Report and Notes to Financial Statements

TECHVEST, LLC  
Statement of Cash Flows  
For the Year Ended December 31, 2002

Cash flows from operating activities:

|   |             |
|---|-------------|
| Net income  | \$( 39,361) |
| <hr/>   |             |
| Adjustments to reconcile net income to net cash provided by operating activities: |             |
| Depreciation and amortization   | 2,813       |
| Prepaid Expenses  | 15,540      |
| Security Deposit  | ( 9,000)    |
| Accounts Payable  | ( 3,183)    |
| Accrued Expenses & Payroll Taxes  | ( 61)       |
| <hr/>   |             |
| Total adjustments   | 6,109       |
| <hr/>   |             |
| Net cash provided (used) by operating activities                                  | ( 33,252)   |
| <hr/>   |             |

Cash flows from financing activities:

|  |                  |
|--|------------------|
| Member's Contributions                           | 34,902           |
| Member's Drawings                                | ( 8,000)         |
| <hr/>  |                  |
| Net cash provided (used) by financing activities | 26,902           |
| <hr/>  |                  |
| Net increase (decrease) in cash and equivalents  | ( 6,350)         |
| Cash and equivalents, beginning                  | 21,271           |
| Cash and equivalents, ending                     | <u>\$ 14,921</u> |

See accountant's report and notes to financial statements.

**TECHVEST, LLC**  
**Notes to Financial Statements**  
**December 31, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For financial statement purposes and income tax purposes, TECHVEST, LLC. (the "Company") records revenues and expenditures on the accrual basis of accounting.

**Depreciation:**

Depreciation is computed using the straight-line method over the estimated useful life.

**Cash and Cash Equivalents:**

The Company considers all short term investments with an original maturity of three months or less to be cash equivalents.

**NOTE 2- DUE FROM BROKER**

The Company's securities transactions are cleared through FCG Advisors, LLC, and all the Company's trading accounts and customer's accounts are carried by FCG Advisors, LLC, which remits to the Company all profit on the Company's trading accounts and all commissions due net of clearance charges, trading errors and miscellaneous related charges, at the end of the month.

**NOTE 4 - FIXED ASSETS**

Fixed assets consist of computer equipment with a cost of \$3,789, less accumulated depreciation of \$2,026

**NOTE 5 - INCOME TAXES**

The Company is being treated as a sole proprietorship for federal and state income tax purposes and therefore does not record a provision for income taxes. The owner reports the Company's income or loss on his personal income tax returns.

**NOTE 6 - INTERNAL CONTROL**

No material inadequacies were found to exist.

See Accountants' Report.

**TECHVEST, LLC**  
**Notes to Financial Statements**  
**December 31, 2002**  
**(continued)**

NOTE 7 - NET CAPITAL

The Company 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 aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). The following data has been excerpted from the Company's Focus Report for the year ended:

|   |          |
|---|----------|
| Net Capital                                       | \$10,603 |
| Required Net Capital                              | \$ 5,000 |
| Excess Net Capital                                | \$ 5,603 |
| Ratio of Aggregate Indebtedness<br>to Net Capital | .40      |

NOTE 8 - RELATED PARTY TRANSACTION

The Company is 100% owned by Michael Ehrenreich. A related company, Techvest Partners, LLC provides various office services for the Company.

See Accountants' Report.

**TECHVEST, LLC**  
**RECONCILIATION BETWEEN UNAUDITED AND AUDITED FOCUS REPORTS**  
**DECEMBER 31, 2002**

| <u>Account</u>           | <u>Per</u><br><u>Unaudited</u> | <u>Per</u><br><u>Audited</u> | <u>Difference</u> | <u>Explanation</u>          |
|--------------------------|--------------------------------|------------------------------|-------------------|-----------------------------|
| Cash                     | \$14,921                       | \$14,921                     | \$ -0-            |                             |
| Fixed Assets             | 1,763                          | 1,763                        | -0-               |                             |
| Other Assets             | 49,166                         | 48,388                       | (778)             | reclassification            |
| <b>Total Assets</b>      | <b>65,850</b>                  | <b>65,072</b>                | <b>(778)</b>      |                             |
| Accrued Expenses         | 6,617                          | 4,318                        | (2,299)           | reclassification of accrual |
| <b>Total Liabilities</b> | <b>6,617</b>                   | <b>4,318</b>                 | <b>(2,299)</b>    |                             |
| Members Equity           | 59,233                         | 60,754                       | 1,521             | reclassification            |
| Ownership Equity         | 59,233                         | 60,754                       | 1,521             |                             |
| Non-Allowable Assets     | 50,929                         | 50,151                       | (778)             | reclassification            |
| <b>Net Capital</b>       | <b>\$8,304</b>                 | <b>\$10,603</b>              | <b>\$2,299</b>    | reclassification            |