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OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
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12.00

SECURITIE **04001385** ISSION  
Washington, D.C. 20549

**PROCESSED**  
MAR 17 2004  
THOMSON  
FINANCIAL

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

**SEC FILE NUMBER**  
8-45761

**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 01/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:  
CBA Securities, LLC

**OFFICIAL USE ONLY**  
FIRM ID. NO.

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

695 East Main Street, Suite 103  
(No. and Street)

Stamford CT 06901  
(City) (State) (Zip Code)

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

Robert H. Grimm (203) - 969 -1030  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Deloitte & Touche LLP

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

2 World Financial Center New York New York 10281  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

SECURITY RECEIVED  
FEB 18 2004

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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).

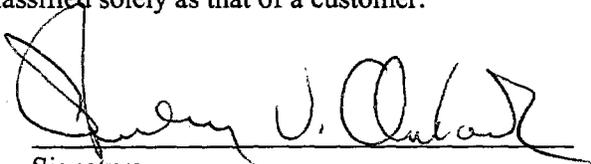
SEC 1410 (06-02)

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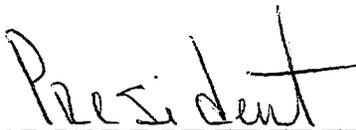
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OATH OR AFFIRMATION

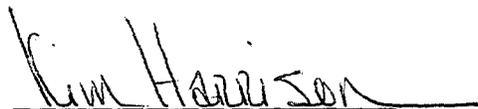
I, Stanley V. Cheslock, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to CBA Securities, LLC as of December 31, 2003 are true and correct. I further affirm that neither the Company nor any member, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.



Signature



Title



Notary Public

**KIM HARRISON**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES 8/31/2005

CBA SECURITIES, LLC  
(SEC I.D. No. 8-45761)

STATEMENT OF FINANCIAL CONDITION  
AS OF DECEMBER 31, 2003  
AND  
INDEPENDENT AUDITORS' REPORT  
AND  
SUPPLEMENTAL REPORT ON INTERNAL CONTROL

\*\*\*\*\*

Filed pursuant to Rule 17a-5(e)(3) under the Securities Exchange  
Act of 1934 as a PUBLIC Document.

## INDEPENDENT AUDITORS' REPORT

The Members of  
CBA Securities, LLC

We have audited the accompanying statement of financial condition of CBA Securities, LLC as of December 31, 2003 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 presentation of the statement of financial condition. We believe that our audit 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 CBA Securities, LLC at December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

January 23, 2004

# CBA SECURITIES, LLC

## STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2003

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### ASSETS

CASH	\$ 912,462
SECURITIES HELD FOR TRADING AT MARKET VALUE (Cost \$231,128)	8,580
RECEIVABLE FROM AFFILIATES	900,665
OTHER ASSETS	24,741
FURNITURE AND EQUIPMENT - Net of accumulated depreciation \$46,640	<u>37,506</u>
TOTAL ASSETS	<u>\$1,883,954</u>

### LIABILITIES AND MEMBERS' EQUITY

LIABILITIES -	
Accrued expenses	\$ 64,456
MEMBERS' EQUITY	<u>1,819,498</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$1,883,954</u>

See notes to statement of financial condition.

# **CBA SECURITIES, LLC**

## **NOTES TO STATEMENT OF FINANCIAL CONDITION YEAR ENDED DECEMBER 31, 2003**

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### **1. ORGANIZATION**

CBA Securities, LLC (the "Company") is a Delaware limited liability company operating as a nonclearing entity which introduces transactions for clearance to another broker-dealer. The members of the Company are Stanley Cheslock, Paul Bakker, Robert Grimm, Richard Rogers, and William Featherston.

The Company shall terminate in accordance with provisions of the Limited Liability Company Agreement. The Company has indemnified each member from any loss.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Commission income is generated from transactions where the Company acts exclusively as an agent to the principals in the transaction. Commission revenue is recorded when earned, on a trade date basis, for securities transactions. Trading income is generated through short sales (see Note 4) and/or long positions, and consists of gains or losses realized on closed positions and unrealized gains or losses resulting from marking open positions to market at year-end. Market values of open positions are determined by management by reference to published data, such as Bloomberg.

The Company prepares its statement of financial condition in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

### **3. SECURITIES HELD FOR TRADING AT MARKET VALUE**

Securities held for trading at market value consists of one corporate bond and two equity positions. At December 31, 2003 the unrealized loss on these positions was \$222,545.

### **4. SECURITIES SOLD NOT YET PURCHASED**

As part of its trading activities, the Company may sell securities that it does not own ("short sale"). To complete a short sale, the Company arranges through a broker to borrow the securities to be delivered to the buyer. In borrowing the securities to be delivered to the buyer, the Company becomes obligated to replace the securities borrowed at their market price at the time of the replacement, whatever that price may be. A gain, limited to the price at which the Company sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon the termination of a short sale if the market price is less than or greater than the proceeds originally received, respectively. The Company's liability under the short sale is recorded at fair value. At December 31, 2003, the Company had no open short position.

The Company is exposed to credit loss in the event of nonperformance by a broker that holds a deposit as collateral for securities sold short. There was no exposure to credit losses as of December 31, 2003 as the Company held no short positions.

**5. NET CAPITAL REQUIREMENT**

As a registered broker-dealer and a member of the National Association of Securities Dealers, Inc., the Company is subject to the Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934. The Company's minimum net capital requirement is the greater of \$100,000 or 6-2/3% of its aggregate indebtedness, as defined. At December 31, 2003, the Company's net capital of \$848,006 exceeded the minimum requirement by \$748,006. The Company's ratio of aggregate indebtedness to net capital was .08 to 1 at December 31, 2003.

**6. TAXES**

As a limited liability company, the Company is not subject to Federal income taxes; such taxes are the responsibility of the Company's members. The Company is subject to certain state and local taxes.

\* \* \* \* \*

January 23, 2004

CBA Securities, LLC  
695 East Main Street  
Stamford, Connecticut 06901

In planning and performing our audit of the financial statements of CBA Securities, LLC (the "Company") for the year ended December 31, 2003, 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 internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company 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 and net capital under Rule 17a-3(a)(11) and 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 Governors of the Federal Reserve System, because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities.

The management of the Company 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 control 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 SEC'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 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods are 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 the 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 error 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 functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, 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 SEC 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, 2003, to meet the SEC's objectives.

This report is intended solely for the information and use of the Company's members, management, the SEC, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities 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 these specified parties.

Yours truly,

*Deloitte & Touche LLP*