

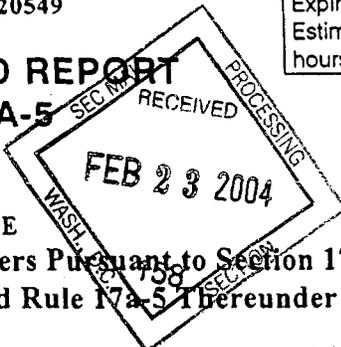


04001502

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
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 01/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CFC Equities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2 Bay Club Drive, Apt. 4LE

(No. and Street)

Bayside

(City)

New York

(State)

11360

(Zip Code)

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

Neil Sumner

212-997-1650

(Area Code - Telephone Number)

**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

(Address)

New York

(City)

NY

(State)

10036-7901

(Zip Code)

CHECK ONE:

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

**PROCESSED**

**MAR 15 2004**

<b>FOR OFFICIAL USE ONLY</b>	<b>THOMSON FINANCIAL</b>
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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, 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, 2003, 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:

*Samuel Weiss*

Signature

Member

*Joann Dimino*

Notary Public

JOANN DIMINO  
NOTARY PUBLIC, State of New York  
No. 01D15043318  
Qualified in Queens County  
Commission Expires 5/8/07

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 Proprietors' 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 15c3-3 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).

**FORM  
X-17A-5**

**FOCUS REPORT**

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

(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.
CFC Equities, LLC <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">13</span></span>	8-22338 <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">14</span></span>
ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)	FIRM ID. NO.
2 Bay Club Drive, Apt. 4LE <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">20</span></span>	11-3579179 <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">15</span></span>
(No. and Street)	FOR PERIOD BEGINNING (MM/DD/YY)
Bayside <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">21</span></span>	01/01/03 <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">24</span></span>
(City)	AND ENDING (MM/DD/YY)
New York <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">22</span></span>	12/31/03 <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">25</span></span>
(State)	(Zip Code)
11360 <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">23</span></span>	

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT	(Area Code)—Telephone No.
Neil Sumner <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">30</span></span>	212-997-1650 <span style="float: right;"><span style="border: 1px solid black; padding: 2px;">31</span></span>
NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:	OFFICIAL USE
<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">32</span></span>	<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">33</span></span>
<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">34</span></span>	<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">35</span></span>
<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">36</span></span>	<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">37</span></span>
<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">38</span></span>	<span style="float: right;"><span style="border: 1px solid black; padding: 2px;">39</span></span>

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?      YES  40      NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  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 \_\_\_\_\_ 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. 78:(a))

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
	130 West 42nd St., Suite 1906	New York	New York
			Zip Code
			10036-7901
	71	72	73
			74

Check One

- ( X ) Certified Public Accountant 75
- ( ) Public Accountant 76
- ( ) Accountant not resident in United States or any of its possessions 77

FOR SEC USE

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

**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) 12/31/03

SEC FILE NO. 8-22338

99
98
198
199

**ASSETS**

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash	\$ 123,588		\$ 123,588
2. Receivables from brokers or dealers:			
A. Clearance account	295		
B. Other	9,476	550	9,476
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	424		
E. Spot commodities	430		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. <b>TOTAL ASSETS</b>	\$ <b>133,064</b>	\$ <b>740</b>	\$ <b>133,064</b>

OMIT PENNIES

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

BROKER OR DEALER

CFC Equities, LLC

as of 12/31/03

**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	354 1205	1385	354 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: from outsiders	\$ 990	1410	1720
C. Pursuant to secured demand note collateral agreements:		1420	1730
1. from outsider	\$ 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	\$ 354 1230	\$ 1450	\$ 354 1760

**Ownership Equity**

21 Sole proprietorship		\$ 132,710	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		\$ 132,710	1800
25 TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 133,064	1810

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

BROKER OR DEALER

CFC Equities, LLC

as of 12/31/03

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition .....	\$	132,710	3480
2. Deduct ownership equity not allowable for Net Capital .....	(		3490
3. Total ownership equity qualified for Net Capital .....		132,710	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 .....	\$	132,710	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	3620
7. Other additions and/or allowable credits (List) .....			3630
8. Net capital before haircuts on securities positions .....	\$	132,710	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 .....		3733	
3. Options .....		3730	
4. Other securities .....		3734	
D. Undue Concentration .....		3650	
E. Other (List) .....		3736	3740
10. Net Capital .....	\$	132,710	3750

OMIT PENNIES

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

BROKER OR DEALER

CFC Equities, LLC

as of 12/31/03

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	24	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)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	3760
14. Excess net capital (line 10 less 13)	\$	127,710	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	132,675	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.L. liabilities from Statement of Financial Condition	\$	354	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	\$	354	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	.2667	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	.2661	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)	\$	3760
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

OMIT PENNIES

**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 010103 3932 to 123103 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		74,613	3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		628	3995
9. Total revenue	\$	75,241	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	
14. Regulatory fees and expenses		1,047	4195
15. Other expenses		30,650	4100
16. Total expenses	\$	31,697	4200

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	43,544	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	\$	43,544	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 010103 to 123103

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

1. Balance, beginning of period.....	\$	127,578	4240
A. Net income (loss).....		43,544	4250
B. Additions (Includes non-conforming capital of.....)	\$	4262	4260
C. Deductions (Includes non-conforming capital of..... Distributions.....)	\$	4272	4270
		(38,412)	
2. Balance, end of period (From item 1800).....	\$	132,710	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>12/31/03</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 ..... <u>Organization is exempt</u>                       | 4560 |
| C. | (k) | (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <u>4335</u> | 4570 |
| D. | (k) | (3)—Exempted by order of the Commission .....  | 4580 |

**CFC Equities, LLC**  
**Statement of Cash Flows**  
**Year Ended December 31, 2003**

*Cash flows from operating activities:*

Cash received from principals	75,230
Operating expenses	<u>(32,416)</u>
Net cash provided by operating activities	<u>42,814</u>

*Cash flows from investing activities*

Dividend income	<u>628</u>
Net cash provided by investing activities	<u>628</u>

*Cash flows from financing activities:*

Withdrawals by member	<u>(38,412)</u>
Net cash used by financing activities	<u>(38,412)</u>

Net increase in cash	5,030
Cash and cash equivalents - beginning of year	<u>118,558</u>
Cash and cash equivalents - end of year	<u><u>123,588</u></u>

Reconciliation of net income to net cash provided (used) by operating assets:

Net income	43,544
Dividend income	(628)
Adjustment to reconcile net income to net cash provided (used) by operating activities:	
Decrease (increase) in	
Receivables	616
Increase (decrease) in	
Accrued expenses	<u>(718)</u>
Net cash provided by operating activities	<u><u>42,814</u></u>

See accountant's report and notes to financial statements.

CFC EQUITIES, LLC  
Notes to Financial Statements  
December 31, 2003

- 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 - Financial instruments that potentially subject the Respondent to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2003, the Respondent had \$23,588 in excess of FDIC insured limits.
- Note 7 - Reconciliation - Computation of Net Capital

Focus Report - December 31, 2003 Cash Basis submitted by CFC Equities, LLC

Net capital as reported	\$122,112.
Add: Haircut erroneously reported on bank money fund	1,477.
Add: Commission receivable	9,476.
Deduct: Accrued Expenses	(354.)
Deduct: Rounding adjustment	<u>(1.)</u>
Net capital - Accrual basis, audited report	<u>\$132,710.</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, 2003. 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, 2003 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 4, 2004

  
NEIL SUMNER, C.P.A.

Sworn to before me this 6 th day  
of February, 2004

  
Notary Public  
JOEL COHEN  
Notary Public, State of New York  
No. 31-0685550