



04015138

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

SEC FILE NUMBER  
8- 48461

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

FACING PAGE

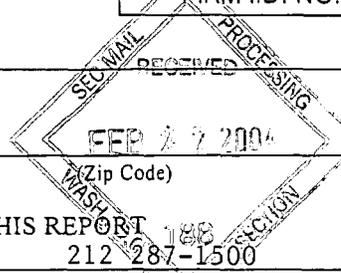
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING January 1, 2003 AND ENDING December 31, 2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Corinthian Partners, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
10 East 53 Street, 22nd Floor  
(No. and Street)  
New York, NY 10022  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.



NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Julie M. Hunt 212 287-1500  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Schneider & Associates LLP  
(Name - if individual, state last, first, middle name)  
100 Jericho Quadrangle, #236, Jericho, NY 11753  
(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 29 2004

**FOR OFFICIAL USE ONLY** 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)

DB

OATH OR AFFIRMATION

I, Julie M Hunt, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Corinthian PARTNERS, L.L.C., as of December 31st, '03, 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:

Julie M Hunt  
Signature

SR. MANAGING DIRECTOR  
Title

[Signature]  
Notary Public

ROBERT P. BUDAKIAN  
Notary Public, State of New York  
No. 01BU5080394  
Qualified in New York County  
Commission Expires June 16, 1907

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.
- (o) Independent auditors' report on internal control.

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



CORINTHIAN PARTNERS, LLC

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2003

CORINTHIAN PARTNERS, LLC  
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2003

C O N T E N T S

	<u>Page</u>
Facing page to Form X-17A-5	2A
Affirmation of Managing Director	2B
Independent Auditors' Report	3
FINANCIAL STATEMENTS:	
Statement of Financial Condition	4
Statement of Operations	5
Statement of Changes in Member's Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 10
SUPPLEMENTARY SCHEDULES:	
Information relating to the possession or control requirements under Rule 15c3-3	11
Computation of net capital pursuant to Rule 15c3-1	12
Independent auditors' report on internal control structure	13 - 14

**SCHNEIDER & ASSOCIATES LLP**

CERTIFIED PUBLIC ACCOUNTANTS

100 JERICO QUADRANGLE

JERICO, NEW YORK 11753

TEL: (516) 942-5300 • FAX: (516) 932-6050

JERRY SCHNEIDER, CPA  
DEAN HILTZIK, CPA  
MORDECAI LERER, CPA  
HARRIET GREENBLATT, CPA  
HAROLD HILTZIK, CPA

Members  
American Institute of CPAs  
SEC Practice Section  
New York State Society of CPAs

---  
767 Third Avenue, New York, NY 10017  
TEL: (212) 564-4330

INDEPENDENT AUDITORS' REPORT

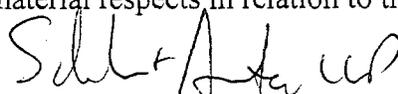
Corinthian Partners, LLC  
New York, New York

We have audited the accompanying statement of financial condition of Corinthian Partners, LLC as of December 31, 2003, and the related statements of operations, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 Corinthian Partners, LLC as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary schedules listed in the accompanying index is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Jericho, New York  
February 10, 2004

CORINTHIAN PARTNERS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2003

ASSETS

Cash	\$ 185,046
Due from clearing firm	111,318
Securities owned, at market value	30,491
Fixed assets – net	23,055
Employee loans	40,500
Other assets	<u>40,615</u>
 Total assets	 <u>\$431,025</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$138,322
Commitments (See Notes)	

MEMBER'S EQUITY 292,703

Total liabilities and member's equity \$431,025

See accompanying notes to financial statements.

CORINTHIAN PARTNERS, LLC  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Revenues

Net dealer inventory and trading gains	\$ 195,993
Commissions	793,747
Management fees	256,910
Interest and other income	<u>40,912</u>
Total revenues	<u>1,287,562</u>

Expenses

Employee compensation and benefits	979,542
Clearing charges	96,364
Communications and occupancy	337,016
Market data services	69,418
Other operating expenses	<u>394,417</u>
Total expenses	<u>1,876,757</u>
Net loss	<u>\$ (589,195)</u>

See accompanying notes to financial statements.

CORINTHIAN PARTNERS, LLC  
STATEMENT OF CHANGES IN MEMBER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2003

BALANCE, January 1, 2003	\$ 697,080
Capital contributions from Corinthian Holdings LLC	184,818
Net loss for the year	<u>(589,195)</u>
BALANCE, December 31, 2003	<u>\$ 292,703</u>

See accompanying notes to financial statements.

CORINTHIAN PARTNERS, LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Increase (decrease) in cash	
Cash flows from operating activities	
Net loss	\$(589,195)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	42,025
(Increase) decrease in operating assets:	
Due from clearing firm	52,177
Securities owned	(15,460)
Employee loans	29,867
Due from Corinthian Holdings, LLC	441,413
Other assets	50,289
(Decrease) in operating liabilities:	
Accounts payable and accrued expenses	<u>(25,913)</u>
Total adjustments	<u>574,398</u>
Net cash used in operating activities	(14,797)
Cash flows from investing activities - purchase of fixed assets	(3,069)
Cash flows from financing activities - capital contributions from Corinthian Holdings, LLC	<u>184,818</u>
Net increase in cash	166,952
Cash at January 1, 2003	<u>18,094</u>
Cash at December 31, 2003	<u>\$ 185,046</u>

See accompanying notes to financial statements.

CORINTHIAN PARTNERS, LLC  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

NOTE 1 - ORGANIZATION

Corinthian Partners, LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the National Association of Securities Dealers, Inc. The Company is wholly-owned by Corinthian Holdings, LLC ("Holdings").

The Company executes principal and agency transactions in listed and over-the-counter securities and engages in investment banking activity. All customer transactions are cleared on a fully disclosed basis through an independent clearing firm. Accordingly, the Company does not carry securities accounts for customers nor does it perform custodial functions related to their securities.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The Company records securities transactions, including gains from securities trading and commission revenue and expense, on a trade-date basis.

Marketable securities owned consist entirely of publicly traded equities, and are carried at quoted market prices with unrealized gains and losses reflected in income.

Depreciation of equipment is provided on a straight-line basis over the estimated useful life of the respective assets. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 3 - FIXED ASSETS

Fixed assets consist of the following:

		<u>Estimated Useful Life</u>
Office furniture and equipment	\$208,756	5 years
Leasehold improvements	<u>207,451</u>	Term of lease
	416,207	
Less: Accumulated depreciation	<u>393,152</u>	
	<u>\$ 23,055</u>	

CORINTHIAN PARTNERS, LLC  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

NOTE 3 - FIXED ASSETS - continued

Depreciation and amortization expense was \$42,025 for the year.

NOTE 4 - RELATED PARTY TRANSACTIONS

During 2003, the Company wrote off officer loan principal and accrued loan interest totaling \$46,403. Outstanding loans are due on demand.

NOTE 5 - MEMBERS' EQUITY

During 2003, Holdings made total capital contributions of \$184,818 to the Company.

NOTE 6 - LEASES

The Company is obligated under various equipment leases and an office sublease. During 2003, the Company extended its office sublease through April 2004. The Company's two principal officers have personally guaranteed the payment of all sublease rent obligations. Net operating lease expense was \$268,091 for the year ended December 31, 2003.

Following is a summary of future minimum lease payments:

Year ended <u>December 31,</u>	
2004	\$104,552
2005	7,788
2006	7,788
2007	7,788
2008	<u>4,543</u>
Total	<u>\$132,459</u>

NOTE 7 - INCOME TAXES

As a single member LLC, the Company files income tax returns in combination with Holdings and CPAM. The combined entity is not subject to federal or state income tax, and thus no federal or state income tax expense has been recorded in the accompanying financial statements. The members of Holdings report their proportionate share of membership taxable income or loss in their respective income tax returns. The combined entity is subject to New York City Unincorporated Business Tax ("UBT") on taxable profits.

CORINTHIAN PARTNERS, LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

NOTE 8 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK

The Company executes, as principal and agent, securities transactions on behalf of its customers. If either the customer or a counter-party fail to perform, the Company may be required to discharge the obligations of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contract value of the transaction.

The Company is engaged in trading and brokerage activities with customers, broker-dealers and other counterparties. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company places its cash in commercial checking accounts and uninsured bank money market funds. Bank balances may from time to time exceed federally insured limits.

NOTE 9 - NET CAPITAL REQUIREMENT

As a registered broker-dealer, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1. The Rule requires that the Company maintain minimum net capital, as defined, of 6-2/3% of aggregate indebtedness, as defined, or \$100,000, whichever is greater. At December 31, 2003, the Company had net capital of \$210,044, which exceeded its requirement of \$100,000 by \$110,044. The ratio of aggregate indebtedness to net capital was .52 to 1.

SUPPLEMENTARY SCHEDULES

CORINTHIAN PARTNERS, LLC  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS FOR  
BROKERS AND DEALERS PURSUANT TO RULE 15c3-3  
DECEMBER 31, 2003

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of that rule.

CORINTHIAN PARTNERS, LLC  
 COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1  
DECEMBER 31, 2003

Net capital:	
Member's equity	\$292,703
Deductions and/or charges:	
Nonallowable assets:	
Fixed assets - net	\$ 23,055
Employee loans and advances, net of offsetting commissions payable of \$29,200	11,300
Other assets	<u>40,615</u>
	<u>74,970</u>
Net capital before haircuts on security positions	<u>217,733</u>
Haircuts on securities:	
Corporate stock	4,574
Money market balances	<u>3,115</u>
	<u>7,689</u>
Net capital	210,044
Computation of basic net capital requirement:	
Minimum net capital required	<u>100,000</u>
Excess net capital	<u>\$110,044</u>
Aggregate indebtedness:	
Accounts payable and accrued expenses, net of offsetting employee loans and advances of \$29,200	<u>\$109,122</u>
Excess net capital at 1,000 percent	<u>\$199,132</u>
Ratio: Aggregate indebtedness to net capital	<u>.52 to 1</u>

No material differences exist between the above computation and the Company's computation included in Part IIA of Form X-17A-5 (unaudited) as of December 31, 2003.

## SCHNEIDER & ASSOCIATES LLP

CERTIFIED PUBLIC ACCOUNTANTS  
100 JERICO QUADRANGLE  
JERICO, NEW YORK 11753  
TEL: (516) 942-5300 • FAX: (516) 932-6050

JERRY SCHNEIDER, CPA  
DEAN HILTZIK, CPA  
MORDECAI LERER, CPA  
HARRIET GREENBLATT, CPA  
HAROLD HILTZIK, CPA

Members  
American Institute of CPAs  
SEC Practice Section  
New York State Society of CPAs

---  
767 Third Avenue, New York, NY 10017  
TEL: (212) 564-4330

### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY RULE 17a-5

Corinthian Partners, LLC  
New York, New York

In planning and performing our audit of the financial statements of Corinthian Partners, LLC 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) of 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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provision of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

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 controls 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

## SCHNEIDER & ASSOCIATES LLP

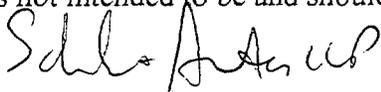
SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of the inherent limitations in 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 is 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 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 errors 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, that 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 management, the SEC, the National Association of Securities Dealers, Inc., and other regulatory agencies that 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.



Jericho, New York  
February 10, 2004