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

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

REC'D S.E.C. MAR 1 2004 528

SEC FILE NUMBER 8-52447

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 01-01-2003 AND ENDING 12-31-2003 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LIATI CAPITAL, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 17 State Street, 3rd Floor

OFFICIAL USE ONLY FIRM I.D. NO.

New York, NY 10004 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Michael W. Geffrard (212) 269-0003 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Mahmood, Mohammad A. (Name - if individual, state last, first, middle name)

1170 Broadway, #806 New York NY 10001 (Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED MAR 31 2004

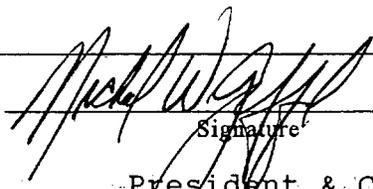
FOR OFFICIAL USE ONLY THOMSON FINANCIAL

*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)

SW

OATH OR AFFIRMATION

I, Michael W. Geffrard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Liati Capital, 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:


Signature

President & CEO

Title

JOSEPH P. MONTELEONE
Notary Public, State of New York
No. 02MO4939219
Qualified in Queens County
Commission Expires July 5, 2006


Notary Public

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 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.

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



M. A. Mahmood, CPA, PC

Certified Public Accountant

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WWW.Consultax.net

Mohammad A. Mahmood, FCA, CPA*
* Licensed in NY

To The Member of
Liati Capital, LLC



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

I have audited the accompanying balance sheet of Liati Capital, LLC as of December 31, 2003 and the related statements of income, changes in partner's capital and cash flows for the year then ended. 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 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 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Liati Capital, LLC as of December 31, 2003 in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages six and seven 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 of the Securities & Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, NY
February 26, 2004

**Liati Capital, LLC
Balance Sheet
As of December 31, 2003**

ASSETS

CURRENT ASSETS:

Cash at bank	10,396
Total Current Assets	<u>10,396</u>

OTHER ASSETS:

Organization cost - net of amortization	1,650
Total Other Assets	<u>1,650</u>

TOTAL ASSETS	<u><u>12,046</u></u>
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MEMBER'S EQUITY

MEMBER'S EQUITY:

Member's capital	12,046
Total Member's Equity	<u>12,046</u>

TOTAL LIABILITIES & MEMBER'S EQUITY	<u><u>12,046</u></u>
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The accompanying notes are an integral part of these financial statements.

(1)

LIATI CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. SIGNIFICANT ACCOUNTING POLICIES

The Company derives its revenues from advisory and other consulting fees in connection with the private placement of limited partnership interests in general partnerships.

2. THE COMPANY

The Company was formed in New York in February, 1998. The Company provides financial advisory and consulting services primarily related to the private placement of limited partnership interests in general partnerships. Registration as a broker-dealer under the Securities Exchange Act of 1934 was effective January 2001. The Company is a limited liability company

The company operates under an expense sharing agreement with its parent Liati Group, LLC, A New York Limited Liability Company. The expense sharing provides for Liati Group, LLC to pay all of the operating expenses of the Company, except for certain regulatory fees. As outlined in the expense sharing agreement, such payments are considered as capital contributions by the parent company.

3. NET CAPITAL REQUIREMENT

The Company is subject to Rule 15c3-1 of the Securities & Exchange Act of 1934 which requires that the ratio of aggregated indebtedness to net capital, as defined, shall not exceed 15 to 1. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2003 the Company's net capital and aggregate indebtedness, as defined, were \$10,396 and \$0 respectively. The net capital ratio was 0 or 0% compared to a maximum allowable percentage of 1500%. Net capital exceeded requirements by \$5,396.

4. ANNUAL REPORT

Pursuant to Rule 17a-5 of the Securities & Exchange Commission, the Statement of Financial condition is available for examination at the Company's principal place of business, 17 State Street, Third Floor, New York, NY, and at the regional office of the Commission located 233 Broadway, New York, NY.

LIATI CAPITAL, LLC
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2003

Liati Capital, LLC
Computation of Net Capital and Aggregate Indebtness
Pursuant to Rule 15c3-1 (a) (2)
As of December 31, 2003

Net Capital:		
Member's equity		12,046
Deductions and Charges:		
Non-allowable assets -		
- Organization Costs (net of amortization)	1,650	1,650
Net Capital before Haircuts		10,396
Haircuts		-
Net Capital		10,396
Aggregate Indebtedness:		
Accounts payable & accrued expenses		-
Computation of Basic Net Capital Requirement:		
Minimum net capital required		5,000
Excess net capital at 1,500%		5,396
Excess net capital at 1,000%		10,396
Ratio: Aggregate Indebtedness to Capital		-

Statement Pursuant To Paragraph (d) (4) of Rule 17a-5

There were no material differences between this computation of net capital and the corresponding computation prepared by Liati Capital, LLC and included in its unaudited Focus Report Part IIA as of the same date.

The accompanying notes are an integral part of these financial statements.

LIATI CAPITAL, LLC

EXEMPTION FROM RESERVE REQUIREMENTS FOR BROKER DEALERS

UNDER RULE 15c3-3 (K) (2) (i)

DECEMBER 31, 2003

The Company is exempt from reserve requirements for broker-dealers under Rule 15c3-3 subparagraph (K) (2) (i) as it carries no margin or other securities accounts, and meets all other requirements of the Rule.

(7)

 **M. A. Mahmood, CPA, PC**
Certified Public Accountant