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**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 01/01/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Bluffview Capital, LP

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

100 Crescent Court, Suite 500

(No. and Street)

Dallas

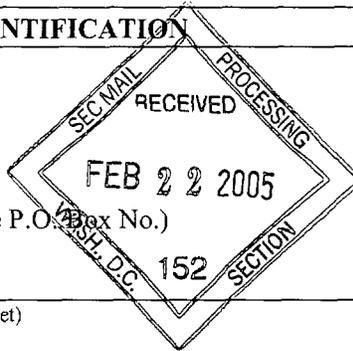
Texas

75201

(City)

(State)

(Zip Code)



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FIRM ID. NO.

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

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

CF & Co., L.L.P.

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

14175 Proton Rd.

Dallas

TX

75244

(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 11 2005

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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, Todd Miller, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bluffview Capital, LP, as of December 31, 2004, are true and correct. I further swear (or affirm) that neither the Partnership 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:

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
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 Cash Flows
- (e) Statement of Changes in Partners' capital 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.
- (o) Independent auditor's report on internal control

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

BLUFFVIEW CAPITAL, LP  
REPORT PURSUANT TO RULE 17a-5(d)  
YEAR ENDED DECEMBER 31, 2004

BLUFFVIEW CAPITAL, LP

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**CF & Co., L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

J. King Bourland, CPA  
Jeffrey L. Cheshier, CPA  
J. Thomas Connor, CPA

Kevin J. Harris, CPA  
Bret M. Robertson, CPA  
Jack W. Savage, Jr., CPA  
Jack D. Sprawls, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bluffview Capital, LP

We have audited the accompanying statement of financial condition of Bluffview Capital, LP, (a limited partnership) (the "Partnership") as of December 31, 2004, and the related statements of income, changes in partners' capital, changes in liabilities subordinated to claims of general creditors, 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 Partnership'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 Bluffview Capital, LP, as of December 31, 2004 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedules I and II 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.

*CF & Co. L.L.P.*  
CF & Co., L.L.P.

Dallas, Texas  
January 25, 2005

BLUFFVIEW CAPITAL, LP  
Statement of Financial Condition  
December 31, 2004

ASSETS

Cash	\$1,666,008
Accounts receivable	273,844
Investment in limited partnership	50,000
Property, equipment and leasehold improvements– net	112,471
Other assets	<u>31,986</u>
	<u>\$2,134,309</u>

LIABILITIES AND PARTNERS' CAPITAL

**Liabilities**

Accounts payable and accrued expenses	<u>\$ 998,025</u>
	<u>998,025</u>

**Partners' capital**

<u>1,136,284</u>
<u>\$2,134,309</u>

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

BLUFFVIEW CAPITAL, LP  
Statement of Income  
For the Year Ended December 31, 2004

**Revenues**

Fee income	\$2,996,000
Interest income	<u>18,553</u>
	<u>3,014,553</u>

**Expenses**

Compensation and benefits	1,984,842
Communications	25,765
Occupancy and equipment costs	223,799
Promotional costs	8,322
Regulatory fees and expenses	4,724
Other expenses	<u>83,021</u>
	<u>2,330,473</u>

Income before income tax expense	684,080
Income tax expense	<u>-0-</u>
Net income	<u>\$ 684,080</u>

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

BLUFFVIEW CAPITAL, LP  
Statement of Changes in Partners' Capital  
For the Year Ended December 31, 2004

	<u>General Partner</u>	<u>Limited Partner</u>	<u>Total</u>
Balances at December 31, 2003	\$ 77	\$1,042,108	\$1,042,185
Capital contribution		50,000	50,000
Distributions		(639,981)	(639,981)
Net income	<u>116</u>	<u>683,964</u>	<u>684,080</u>
Balances at December 31, 2004	<u>\$ 193</u>	<u>\$1,136,091</u>	<u>\$1,136,284</u>

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

BLUFFVIEW CAPITAL, LP  
Statement of Changes in Liabilities Subordinated  
to Claims of General Creditors  
For the Year Ended December 31, 2004

Balance at December 31, 2003	\$	-0-
Increases		-0-
Decreases		<u>-0-</u>
Balance at December 31, 2004	\$	<u>-0-</u>

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

BLUFFVIEW CAPITAL, LP  
Statement of Cash Flows  
For the Year Ended December 31, 2004

<b>Cash flows from operating activities</b>	
Net income	\$ 684,080
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	20,897
Change in operating assets and liabilities:	
Increase in accounts receivable	(99,821)
Increase in accounts payable and accrued expenses	<u>579,571</u>
Net cash provided (used) by operating activities	<u>1,184,727</u>
<b>Cash flows from investing activities</b>	
Purchase of property and equipment	<u>(19,627)</u>
Net cash provided (used) by investing activities	<u>(19,627)</u>
<b>Cash flows from financing activities</b>	
Distributions to partners	<u>(639,981)</u>
Net cash provided (used) by financing activities	<u>(639,981)</u>
Net increase in cash	525,119
Cash at beginning of year	<u>1,140,889</u>
Cash at end of year	<u>\$1,666,008</u>

**Supplemental schedule of cash flow information**

Cash paid during the year for:	
Interest	\$ <u>-0-</u>
Income taxes	\$ <u>-0-</u>

**Supplemental disclosure of non-cash investing and financing activities**

The Partnership was contributed a 15% limited partnership interest from its general partner valued at \$50,000.

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

BLUFFVIEW CAPITAL, LP  
Notes to Financial Statements  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies

Bluffview Capital, LP (the "Partnership") was formed under the laws of the State of Texas. The Partnership consists of a managing general partner, and a limited partner. The Partnership agreement provides for certain contributions of capital by the partners. Profits and losses of the Partnership will be allocated in proportion to the partnership percentages of the partners. As well, the general partner will determine the aggregate amounts and the times any distributions will be made. The limited partner is not personally liable for any obligations of the Partnership and its capital account cannot be reduced below \$0. Offices of the Partnership are located in Dallas, Texas.

The Partnership is a broker-dealer in securities registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Partnership operates under (SEC) Rule 15c3-3(k)(2)(i). The Partnership is engaged in a single line of business as a securities broker-dealer, dealing in mergers, acquisitions, and the private placement of securities. Substantially all of the Partnership's business is conducted with customers located in the United States.

Fee income includes income earned for services provided relating to consulting, placements, and mergers and acquisitions.

Investment in limited partnership is carried at cost.

Compensated absences have not been accrued because the amount cannot be reasonably estimated.

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets. Leasehold improvements are amortized over the life of the related asset or the life of the lease, whichever is shorter.

The Partnership's net income is passed through to the partners and reported on their Federal income tax returns; therefore, no provision for Federal income taxes has been made in the accompanying financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BLUFFVIEW CAPITAL, LP  
Notes to Financial Statements  
December 31, 2004

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Partnership is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2004, the Partnership had net capital of approximately \$667,983 and net capital requirements of \$66,568. The Partnership's ratio of aggregated indebtedness to net capital was 1.49 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Capital distributions to partners can be made under a capital distribution policy approved by the Partnership's general partner. Periodic distributions approved by the Partnership's general partner are made to enable partners to pay federal income taxes on partnership profits, among other purposes.

Note 3 - Possession or Control Requirements

The Partnership does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (S.E.C.) Rule 15c3-3(k)(2)(i) by not holding customer funds or safekeeping customer securities.

Note 4 - Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements and related accumulated amortization/depreciation is as follows.

	<u>Cost</u>	<u>Accumulated Amortization/ Depreciation</u>	<u>Net</u>
Property, equipment and leasehold improvements	<u>\$ 201,084</u>	<u>\$ 88,613</u>	<u>\$ 112,471</u>

Amortization/depreciation expense for the year ended December 31, 2004 was \$20,897 and is shown in occupancy and equipment cost.

Note 5 - Employee Benefits

The Partnership has a 401(k) Profit Sharing Plan, whereby all employees may voluntarily contribute up to 25% of compensation subject to a maximum of \$13,500. The Partnership may contribute up to 100% of the employee's contribution. Employee's vest into the employer contribution over 2 years. The Partnership contributed \$20,153 to the plan for the year ending December 31, 2004.

BLUFFVIEW CAPITAL, LP  
Notes to Financial Statements  
December 31, 2004

Note 6 - Concentration Risk

At December 31, 2004, and at various other times throughout 2004, the Partnership had cash balances in excess of Federally insured limits. Cash accounts at banks are insured by the FDIC up to \$100,000.

Note 7 - Lease Commitments

The Partnership has entered into a long-term lease commitment for office space and equipment rental. The aggregate future minimum rentals under these operating lease agreements are summarized as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Office</u> <u>Space</u>	<u>Equipment</u> <u>Rental</u>	<u>Total</u>
2005	\$ 125,268	\$ 5,280	\$ 130,548
2006	<u>195,932</u>	<u>2,509</u>	<u>198,441</u>
	<u>\$ 321,200</u>	<u>\$ 7,789</u>	<u>\$ 328,989</u>

Rent expense for office space and equipment rental was \$107,592 and \$8,764, respectively, for the year ended December 31, 2004.

Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2004

## Schedule I

BLUFFVIEW CAPITAL, LP  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2004

### COMPUTATION OF NET CAPITAL

Total partners' capital qualified for net capital		\$ 1,136,284
Add:		
Other deductions or allowable credits		<u>-0-</u>
Total capital and allowable subordinated liabilities		1,136,284
Deductions and/or charges		
Non-allowable assets:		
Accounts receivable	\$ 273,844	
Investment in limited partnership	50,000	
Property, equipment and leasehold improvements, net	112,471	
Other assets	<u>31,986</u>	<u>(468,301)</u>
Net capital before haircuts on securities positions		667,983
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))		<u>-0-</u>
Net capital		<u>\$ 667,983</u>

### AGGREGATE INDEBTEDNESS

Items included in statement of financial condition		
Accounts payable and accrued expenses		<u>\$ 998,025</u>
Total aggregate indebtedness		<u>\$ 998,025</u>

**Schedule I (continued)**

**BLUFFVIEW CAPITAL, LP**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**As of December 31, 2004**

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 66,568</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 66,568</u>
Net capital in excess of required minimum	<u>\$ 601,415</u>
Excess net capital at 1000%	<u>\$ 568,180</u>
Ratio: Aggregate indebtedness to net capital	<u>1.49 to 1</u>

**RECONCILIATION WITH PARTNERSHIP'S COMPUTATION**

There were no material differences in the computation of net capital under Rule 15c3-1 from the Partnership's computation.

## **Schedule II**

BLUFFVIEW CAPITAL, LP  
Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission  
As of December 31, 2004

### **EXEMPTIVE PROVISIONS**

The Partnership has claimed an exemption from Rule 15c3-3 under section (k)(2)(i), in which the Partnership is a direct participation broker-dealer.

Independent Auditor's Report

On Internal Control

Required By SEC Rule 17a-5

Year Ended December 31, 2004



***CF & Co., L.L.P.***  
CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

J. King Bourland, CPA  
Jeffrey L. Cheshier, CPA  
J. Thomas Connor, CPA

Kevin J. Harris, CPA  
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Jack W. Savage, Jr., CPA  
Jack D. Sprawls, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL REQUIRED BY SEC RULE 17a-5**

To the General Partner  
Bluffview Capital, LP

In planning and performing our audit of the financial statements and supplemental information of Bluffview Capital, LP (the "Partnership"), for the year ended December 31, 2004, 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 Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Partnership 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. Because the Partnership 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 Partnership 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 Partnership 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 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 Partnership 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 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 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 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, 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 Partnership's practices and procedures were adequate at December 31, 2004, to meet the SEC's objectives.

This report is intended solely for the information and use of the general partner, 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.



CF & Co., L.L.P.

Dallas, Texas  
January 25, 2005