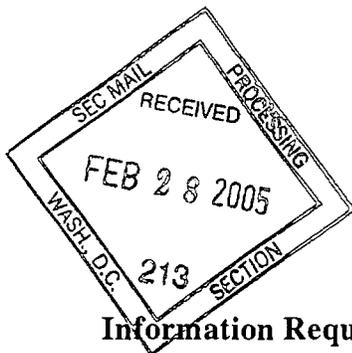


BB



05036066

3 COMMISSION 0549

VF3-8-05

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: January 31, 2007  
Estimated average burden  
hours per response... 12.00

ANNUAL REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-48686

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:  
Castle Creek Financial LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
6051 El Tordo

THOMSON  
FINANCIAL  
OFFICIAL USE ONLY  
FIRM I.D. NO.

Rancho Santa Fe (City) CA (State) 92067 (Zip Code)  
(No. and Street)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
William R. Moody 858-756-8310  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

KPMG LLP

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

750 B Street, Suite 1500 (Address) San Diego (City) CA (State) 92101 (Zip Code)

CHECK ONE:

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

PROCESSED  
MAR 15 2005  
THOMSON FINANCIAL

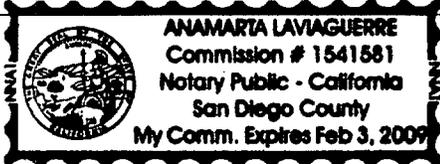
FOR OFFICIAL USE ONLY

\*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)

3/11/05  
SS

OATH OR AFFIRMATION

I, William J. Ruh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Castle Creek Financial LLC, as of December 31, 2004, 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]  
Signature  
Executive Vice President  
Title

[Signature]  
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).



KPMG LLP  
Suite 1500  
750 B Street  
San Diego, CA 92101

## Independent Auditors' Report

The Members  
Castle Creek Financial LLC:

We have audited the accompanying statements of financial condition of Castle Creek Financial LLC, a Delaware Limited Liability Company (the Company), as of December 31, 2004 and 2003. 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 audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit of a statement of financial condition also includes examining, on a test basis, evidence supporting the amounts and disclosures in that statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audits of the statements of financial condition provide a reasonable basis for our opinion.

In our opinion, the statements of financial condition referred to above present fairly, in all material respects, the financial position of Castle Creek Financial LLC as of December 31, 2004 and 2003 in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

February 11, 2005

**CASTLE CREEK FINANCIAL LLC**  
(A Delaware Limited Liability Company)

Statements of Financial Condition

December 31, 2004 and 2003

<b>Assets</b>	<u><b>2004</b></u>	<u><b>2003</b></u>
Cash and cash equivalents (note 3)	\$ 2,425,000	130,000
Accounts receivable (note 3)	50,000	—
Prepaid expenses	17,000	17,000
Other assets	—	3,000
Total assets	<u>\$ 2,492,000</u>	<u>150,000</u>
<b>Liabilities and Members' Equity</b>		
Liabilities (note 3)	\$ 249,000	2,000
Members' equity	<u>2,243,000</u>	<u>148,000</u>
Total liabilities and members' equity	<u>\$ 2,492,000</u>	<u>150,000</u>

See accompanying notes to statements of financial condition.

**CASTLE CREEK FINANCIAL LLC**  
(A Delaware Limited Liability Company)

Notes to Statements of Financial Condition

December 31, 2004 and 2003

**(1) Description of Business and Summary of Significant Accounting Policies**

**(a) General**

Castle Creek Financial LLC (the Company), a Delaware Limited Liability Company, has been licensed by the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. to operate as a broker/dealer. The Company does not directly solicit or execute securities transactions, or hold funds or securities or owe money or securities to customers. The Company also does not carry accounts of or for customers.

The Company was formed on March 20, 1996 primarily to facilitate acquisitions and mergers and to provide advisory services. The Company earns advisory and placement fees for its services to clients. The Company is a limited liability company. Limited liability companies (LLCs) are formed in accordance with the laws of the state in which they are organized. LLCs are generally an unincorporated association of two or more persons, its members have limited personal liability for the obligations or debts of the entity, and they are classified as a partnership for federal income tax purposes. The Company is made up of eight members. Eggemeyer Corp. and WJR Advisory Corp. own 45.0% and 22.5% of the Company, respectively. The Company shall have a term of 99 years unless dissolved earlier in accordance with the provisions of the Operating Agreement of the Company or the Delaware Limited Liability Company Act.

Net income (loss) of the Company for each fiscal year is allocated among the members in proportion to their ownership percentages.

**(b) Basis of Accounting**

The Company prepares its statements of financial condition in accordance with accounting principles generally accepted in the United States of America.

**(c) Cash and Cash Equivalents**

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

**(d) Income Taxes**

The liability for income taxes is that of the individual members and not the Company.

**(e) Use of Estimates**

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements of financial condition to prepare the statements of financial condition in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**CASTLE CREEK FINANCIAL LLC**  
(A Delaware Limited Liability Company)

Notes to Statements of Financial Condition

December 31, 2004 and 2003

**(2) Net Capital**

Under Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain "net capital," as defined by the rule, equal to the greater of \$5,000 or 6-2/3% of "total aggregate indebtedness," as defined. As of December 31, 2004 and 2003, the Company had excess "net capital" of \$2,159,000 and \$123,000, respectively, which exceeded the minimum amount required of \$17,000 and \$5,000, respectively.

**(3) Related Party Transactions**

At December 31, 2004, the Company owes an affiliate \$229,000 and has amounts due from an affiliate of \$23,000.

The Company maintains bank accounts with First National Bank, an affiliate of certain members of the Company. The terms from First National Bank are the same as those available to its other customers.

**(4) Liabilities Subordinated to Claims of General Creditors**

The Company had no borrowings under subordination agreements at December 31, 2004 or 2003.

**(5) Fair Value of Financial Instruments**

The fair value is considered to be equal to the carrying value of cash and cash equivalents, accounts receivable, other assets, and accounts payable in the related report as these financial instruments are either liquid or short-term in nature.