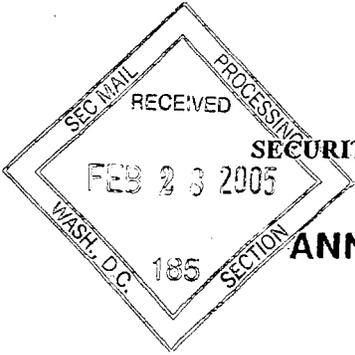




05037585



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

AM 3-9-05 \* 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- 51716

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 1/01/04 AND ENDING 12/31/04 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Jasper Associates, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY FIRM I.D. NO.

910 Sylan Avenue

(No. and Street)

Englewood,

New Jersey

07632

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Jay Buck (201) 227-7630 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Grant Thornton LLP

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

PROCESSED

MAR 23 2005

60 Broad Street

New York

N.Y.

THOMSON 004

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

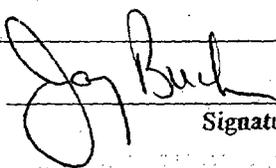
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

3/10/05

OATH OR AFFIRMATION

I, Jay Buck, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Jasper Associates, 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:

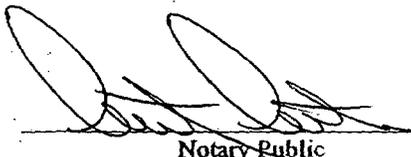
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature

Managing Member

Title



Notary Public

**My Commission Expires  
July 31, 2005**

This report \*\* contains (check all applicable boxes):

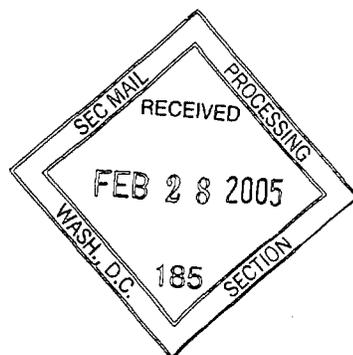
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of ~~Changes in Financial Condition~~ Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated 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.

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

STATEMENT OF FINANCIAL CONDITION  
AND REPORT OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANTS

**JASPER ASSOCIATES, LLC**

December 31, 2004



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Members of  
Jasper Associates, LLC

We have audited the accompanying statement of financial condition of Jasper Associates, LLC (the "Company") as of December 31, 2004 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 as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. 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 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Jasper Associates, LLC 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in the accompanying schedules 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.

*Grant Thornton LLP*

New York, New York  
February 10, 2005

Jasper Associates, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2004

ASSETS

Investments in securities, at market value (cost \$34,383,210)	\$34,470,618
Due from clearing broker	24,956,150
Interest and dividends receivable	74,108
Cash	18,656
Other assets	<u>15,833</u>
Total assets	<u>\$59,535,365</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities

Securities sold, not yet purchased, at market value (proceeds \$33,341,406)	\$33,648,121
Interest and dividends payable	111,490
Accrued expenses and other liabilities	<u>51,989</u>
Total liabilities	33,811,600
Members' equity	<u>25,723,765</u>
Total liabilities and members' equity	<u>\$59,535,365</u>

*The accompanying notes are an integral part of this statement.*

Jasper Associates, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

December 31, 2004

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Jasper Associates, LLC (the "Company") was formed as a limited liability company in Delaware on March 5, 1999 and commenced operations on May 10, 1999. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc. The term of the Company expires on December 31, 2029 unless the managing member of the Company elects to terminate the Company at an earlier date.

The Company has an agreement with another broker-dealer (the "Clearing Broker") to clear transactions, carry customers' accounts on a fully disclosed basis and perform recordkeeping functions. The Company, consequently, operates under the exemptive provisions of SEC Rule 15c3-3k(2)(ii).

Jasper Partners, L.P. (the "Partnership") is a Delaware limited partnership that commenced operations on May 25, 1999. Generally, the Partnership invests the capital contributions made by its partners by acquiring membership interests in the Company. At December 31, 2004, the Partnership's interest in the Company is 99% of the Company's net assets. The Company buys, sells and holds, primarily, equity securities. The Partnership and the managing member of the Company are the only members of the Company and all of the activities of the Company are conducted on their behalf. The Company does not charge any commissions or fees to the Partnership. The Partnership may, at the sole discretion of its general partner, withdraw its assets from the Company at any time, subject to the SEC's net capital rule requirements. The general partner is controlled by the managing member of the Company and, accordingly, the Partnership and the Company are commonly controlled entities.

Effective January 1, 2005, the partnership withdrew its entire interest in the Company. On January 5, 2005, the NASD granted permission to change 100% ownership of the Company from the Partnership to the managing member.

*Securities Transactions*

Securities transactions and related revenues and expenses are recorded on a trade-date basis. The net realized gain or loss on sales of securities is determined by the specific identification method.

Jasper Associates, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

December 31, 2004

**NOTE A (continued)**

*Securities Valuation*

All securities are traded on a national securities exchange (or reported on the NASDAQ national market) and are carried at market value. The listed securities are valued at the last reported sales price on the date of determination on the principal exchange on which such securities are traded or, if not available, at the mean between the exchange quoted "bid" and "asked" prices. Over-the-counter securities are valued using the last quoted bid price for long positions and the last quoted asked price for short positions. If the last reported sales price is not available, over-the-counter securities are valued at the mean between the closing "bid" and "asked" prices on the date of determination. However, the managing director may use methods of valuing securities other than set forth above if it believes the alternate method is preferable in determining the fair value of such securities, as defined in the Partnership Agreement.

*Use of Estimates*

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 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.

*Income Taxes*

No Federal, state or local income taxes have been provided on income or loss of the Company since the members are individually responsible for the taxes on their share of the Company's taxable income or loss.

**NOTE B - DUE FROM CLEARING BROKER**

The Company clears its transactions through another broker-dealer (the "clearing broker") on a fully disclosed basis. At December 31, 2004, all securities owned, securities sold, not yet purchased, and due from clearing broker are positions with and due from the clearing broker. The amount due from the clearing broker is primarily comprised of temporary deposits and proceeds from short sales. In the event that the clearing broker is unable to fulfill its obligations, the Company would be subject to credit risk.

**NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)**

December 31, 2004

**NOTE C - FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK**

The Company sells securities short in the normal course of business. Any securities sold short are carried at market value. Short sales obligate the Company to deliver specified securities at a contracted price. Obligations to repurchase securities in the market at prevailing prices arising from short sales result in off-balance-sheet risk as the ultimate cost of repurchasing the securities may exceed the amount recognized in the statement of financial condition.

**NOTE D - NET CAPITAL REQUIREMENT**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2004, the Company had net capital of \$16,782,770, which was \$16,682,770 in excess of its required net capital of \$100,000. The Company's net capital ratio was .01 to 1.

Proprietary accounts held at the Clearing Broker ("PAIB assets") are considered allowable assets in the computation of net capital pursuant to an agreement between the Company and the Clearing Broker which requires, among other things, that the Clearing Broker perform a computation of PAIB assets similar to the customer reserve computation set forth in Rule 15c3-3.

**NOTE F - SUBSEQUENT EVENT**

As discussed in Note A, the Partnership withdrew its entire interest in the Company. As a result, the portfolio investments, due from the clearing broker, securities sold, not yet purchased, and other portfolio-related accounts were transferred to the Partnership.

## Grant Thornton

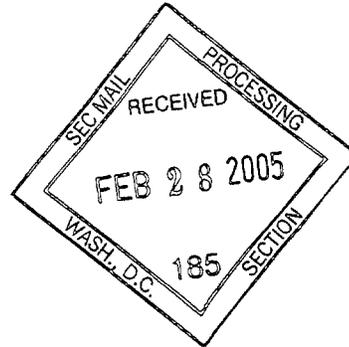
Grant Thornton LLP  
US Member of  
Grant Thornton International  
© 2001 Grant Thornton LLP  
All rights reserved

60 Broad Street  
New York, New York 10004  
Tel: 212 422-1000  
Fax: 212 422-0144  
[www.granthornton.com](http://www.granthornton.com)

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

**JASPER ASSOCIATES LLC**

December 31, 2004



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

To the Members of  
**Jasper Associates LLC**

In planning and performing our audit of the financial statements of Jasper Associates, LLC. (the "Company") 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 and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including tests of compliance with 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 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 the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13;
2. 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;
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

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 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 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 Company'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 Company, management, the SEC, and the National Association of Securities Dealers, Inc., and other regulatory agencies which 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.

A handwritten signature in cursive script that reads "Grant Thornton LLP".

New York, New York  
February 10, 2005

## Grant Thornton

Grant Thornton LLP  
US Member of  
Grant Thornton International  
© 2001 Grant Thornton LLP  
All rights reserved

60 Broad Street  
New York, New York 10004  
Tel: 212 422-1000  
Fax: 212 422-0144  
[www.grantthornton.com](http://www.grantthornton.com)