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SECURITIES AND EXCHANGE COMMISSION  
**RECEIVED ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

MAR 30 2005

SEC FILE NUMBER
8-66365

FACING PAGE

**DIVISION OF MARKET REGULATION** 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: HUNTHILL CAPITAL, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

330 MADISON AVENUE

(No. and Street)

NEW YORK

NEW YORK

10017

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
 KRISTINA GILLAN (914) 632 - 8400

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MARCUM & KLIEGMAN LLP

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

655 THIRD AVENUE, 16TH FLOOR

NEW YORK

NY

10017

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

**PROCESSED**  
 MAY 06 2005  
 THOMSON FINANCIAL

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\*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)

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OATH OR AFFIRMATION

I, KRISTINA GILLAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HUNTHILL CAPITAL, 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:

PHYLLIS WOODEN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 4646225
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES OCTOBER 31, 2006

Kristina Gillan
Signature

FINANCIAL AND OPERATIONS PRINCIPAL

Title

Phyllis Wooden
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).

HUNTHILL CAPITAL, LLC

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2004

# HUNTHILL CAPITAL, LLC

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**Marcum & Kliegman LLP**  
Certified Public Accountants & Consultants  
A Limited Liability Partnership Consisting of Professional Corporations

INDEPENDENT AUDITORS' REPORT

To the Member of  
Hunthill Capital, LLC

We have audited the accompanying statement of financial condition of Hunthill Capital, LLC (the "Company") as of December 31, 2004, 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 Hunthill Capital, 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III 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.

*Marcum & Kliegman LLP*

New York, New York  
March 2, 2005

# HUNTHILL CAPITAL, LLC

## STATEMENT OF FINANCIAL CONDITION

December 31, 2004

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### ASSETS

Cash	\$	33,165
Prepaid expenses		<u>3,122</u>

TOTAL ASSETS		\$	<u>36,287</u>
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### LIABILITIES AND MEMBER'S EQUITY

#### LIABILITIES

Unearned service fee revenue	\$	4,166
Due to affiliate		<u>6,000</u>

TOTAL LIABILITIES		\$	10,166
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<u>MEMBER'S EQUITY</u>			<u>26,121</u>
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TOTAL LIABILITIES AND MEMBER'S EQUITY		\$	<u>36,287</u>
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*The accompanying notes are an integral part of these financial statements.*

# HUNTHILL CAPITAL, LLC

## STATEMENT OF OPERATIONS

For the Year Ended December 31, 2004

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### REVENUE

Service fees		\$	8,334
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### EXPENSES

Allocated professional fees - member	\$	5,037
Registration fees		6,213
Allocated expenses - affiliate		<u>6,000</u>

TOTAL EXPENSES		<u>17,250</u>
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NET LOSS		<u>\$ (8,916)</u>
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*The accompanying notes are an integral part of these financial statements.*

# HUNTHILL CAPITAL, LLC

## STATEMENT OF CHANGES IN MEMBER'S EQUITY

For the Year Ended December 31, 2004

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<u>BEGINNING BALANCE</u> - January 1, 2004	\$	--
Contributions from member		35,037
Net loss		<u>(8,916)</u>
<u>ENDING BALANCE</u> - December 31, 2004	\$	<u>26,121</u>

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

# HUNTHILL CAPITAL, LLC

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2004

### CASH FLOWS FROM OPERATING ACTIVITIES

Net loss		\$	(8,916)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Fees paid by the member	\$	5,037	
Changes in operating assets and liabilities:			
Prepaid expenses		(3,122)	
Unearned service fee revenue		4,166	
Due to affiliate		<u>6,000</u>	
TOTAL ADJUSTMENTS			<u>12,081</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES			<u>3,165</u>

### CASH FLOWS PROVIDED BY FINANCING ACTIVITIES

Contributions from member			<u>30,000</u>
NET INCREASE IN CASH			33,165
<u>CASH</u> - January 1, 2004			<u>--</u>
<u>CASH</u> - December 31, 2004		\$	<u><u>33,165</u></u>

### SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING INFORMATION

Expenses paid by the member on behalf of the Company contributed to capital	\$	5,037
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*The accompanying notes are an integral part of these financial statements.*

# HUNTHILL CAPITAL, LLC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Principles

#### Nature of Business

Hunthill Capital, LLC (the "Company"), a Delaware Limited Liability Company ("LLC"), is a registered broker and dealer in securities under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. (the "NASD"). The Company is a single member LLC. The Company was formed in November 2003 and obtained NASD membership in July 2004.

#### Income Taxes

The member of the LLC is taxed on Company's Federal and State taxable income. Accordingly, no provision or liability for Federal or State income taxes has been included in the accompanying financial statements. The tax provision, if required, within these financial statements would represent the Company's share of the New York City Unincorporated Business Tax and a New York State filing fee.

#### Use of Estimates in the Financial Statements

The preparation of the financial statements in conformity with accounting principles generally 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.

#### Revenue Recognition

Service fees are on a contractual basis with the fee stipulated in the contract and are recognized ratably over the contract period.

### NOTE 2 - Member's Equity

During January and July 2004, the member made capital contributions of \$10,000 and \$20,000, respectively. During December 2004, the member paid \$5,037 for expenses on behalf of the Company which was recorded as a non-cash contribution.

### NOTE 3 - Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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's net capital amounted to \$22,999, which was \$17,999 in excess of its required net capital of \$5,000. The Company's net capital ratio was .44 to 1.

# HUNTHILL CAPITAL, LLC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 - Expense Sharing Agreement - Affiliate

The Company has an expense sharing agreement with an affiliate. The agreement provides that the affiliate is to provide support, staffing, management services and office facilities. The affiliate allocated \$6,000 of expenses to the Company for the year ended December 31, 2004 in accordance with the agreement.

### NOTE 5 - Solicitation Agreement

In October 2004, the Company entered into a two-year solicitation agreement with a client whereby the Company earns service fees for acting as a marketing and sales representative on an exclusive basis with respect to solicitations of prospective investors on behalf of its client that are from Europe and the Middle East. Service fee revenue earned under this agreement for the year ended December 31, 2004 amounted to \$8,334. Unearned service fee revenue related to this agreement was \$4,166 at December 31, 2004.

With respect to the investors introduced to the client by the Company, including initial and incremental capital contributions and capital appreciation in the client's account, the client will pay to the Company management fee allocations and incentive fee allocations based on the terms in the contract.

### NOTE 6 - Subsequent Event

During February 2005, the member contributed \$10,000.

## SCHEDULE I

## HUNTHILL CAPITAL, LLC

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2004

NET CAPITAL

Total member's equity	\$	26,121
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DEDUCTIONS AND CHARGES

Non-allowable asset:

Prepaid expenses	\$	<u>3,122</u>
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TOTAL DEDUCTIONS AND CHARGES		<u>3,122</u>
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NET CAPITAL		<u>\$ 22,999</u>
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AGGREGATE INDEBTEDNESS (A.I.)

Unearned service fee revenue	\$	4,166
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Due to affiliate		<u>6,000</u>
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TOTAL A.I.		<u>\$ 10,166</u>
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COMPUTATION OF BASIC NET CAPITAL  
REQUIREMENT

(a) Minimum net capital required (6 2/3% of total A.I.)	\$	<u>678</u>
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(b) Minimum net capital required of broker/dealer	\$	<u>5,000</u>
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NET CAPITAL REQUIREMENT (Greater of (a) or (b))	\$	<u>5,000</u>
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EXCESS NET CAPITAL	\$	<u>17,999</u>
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RATIO OF A.I. TO NET CAPITAL		<u>.44 to 1</u>
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*See independent auditors' report.*

## SCHEDULE I

## HUNTHILL CAPITAL, LLC

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION, Continued

December 31, 2004

RECONCILIATION WITH COMPANY'S  
COMPUTATION(Included in Part II of Form X-17A-5 as of  
December 31, 2004)NET CAPITAL - As reported in the Company's Part II of  
the FOCUS Report (unaudited)

\$ 13,165

AUDIT ADJUSTMENTS RELATING TO:

Accrued expenses

\$ 7,500

Unearned service fee revenue

8,334

Due to affiliate

(6,000)

TOTAL ADJUSTMENTS

9,834NET CAPITAL - Per this report\$ 22,999*See independent auditors' report.*

SCHEDULE II

HUNTHILL CAPITAL, LLC

COMPUTATION FOR DETERMINATION OF RESERVE  
REQUIREMENTS UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION

December 31, 2004

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The Company claims exemption from the requirements of rule 15c3-3, under Section (k)(2)(ii) of the rule.

*See independent auditors' report.*

SCHEDULE III

HUNTHILL CAPITAL, LLC

INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION

December 31, 2004

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The Company claims exemption from the requirements of rule 15c3-3, under Section (k)(2)(ii) of the rule.

*See independent auditors' report.*

# Marcum & Kliegman LLP

Certified Public Accountants & Consultants

A Limited Liability Partnership Consisting of Professional Corporations

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

To the Member of  
Hunthill Capital, LLC

In planning and performing our audit of the financial statements and supplemental schedules of Hunthill Capital, 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 ("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 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 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 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, errors 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 Commission's objectives.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

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

*Marcum & Klugman LLP*

New York, New York  
March 2, 2005