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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-50973

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TN Capital Equities, Ltd.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

14 East 60th Street, #701
(No. and Street)

New York NY 10022
(City) (State) (Zip Code)

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

John Steinmetz 212 355-6755
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Richard J. Girasole, CPA
(Name - if individual, state last, first, middle name)

1273 77th Street Brooklyn NY 11228
(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 17 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)

SEC 1410 (06-02)

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THA
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State of N.Y.

OATH OR AFFIRMATION

I, John Steinmetz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TN Capital Equities, Inc., as of 12/31/04, 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:

VINCENT J. GUARNERI
Notary Public, State of New York
No. 01GU6100630
Qualified in Kings County
Commission Expires Oct. 20, 2007

[Signature]
Signature
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).

TN Capital Equities, Ltd.
Financial Statements
December 31, 2004

TN Capital Equities, Ltd.

For The Year Ended

December 31, 2004

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RICHARD J. GIRASOLE, CPA, P.C.

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
TN Capital Equities, Ltd.:

I have audited the accompanying statements of financial condition of TN Capital Equities, Ltd. as of December 31, 2004 and 2003, and the related statements of income, cash flows and changes in financial position for the years then ended which are being filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 have 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 reasonable basis for my opinion.

In my opinion, such financial statements present fairly, in all material respects, the financial position of TN Capital Equities, Ltd. at December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

February 25, 2005



Richard J. Girasole, CPA

TN Capital Equities, Ltd.
Statement of Financial Condition
December 31, 2004 and 2003

	Assets	
	<u>2004</u>	<u>2003</u>
Current Assets		
Cash in Bank	\$ 281,388	\$ 31,711
Notes Receivable	<u>14,500</u>	<u>23,750</u>
Total Current Assets	295,888	55,461
Fixed Assets		
Office Equipment (Net)	<u>451</u>	<u>1,655</u>
Total Fixed Assets	\$ 451	\$ 1,655
Other Assets		
Security Deposits	7,215	7,215
Total Other Assets	<u>\$ 7,215</u>	<u>\$ 7,215</u>
Total Assets	\$ <u>303,554</u>	\$ <u>64,331</u>

-See Accountant's Audit Report and Notes to Financial Statement-
Richard J Girasole, CPA, PC

TN Capital Equities, LTD.
Statement of Financial Condition
December 31, 2004 and 2003

Liabilities & Stockholders' Equity

	Liabilities	
	<u>2004</u>	<u>2003</u>
Current Liabilities		
Accounts Payable - Trade	\$ 15,040	\$ 4,589
Accrued Taxes Payable	12,500	0
Broker Fees Payable	<u>165,000</u>	<u>0</u>
Total Current Liabilities	\$ 192,540	\$ 4,589
Long Term Liabilities		
Loans Payable - Parent (Note 5)	<u>55,000</u>	<u>55,000</u>
Total Long Term Liabilities	<u>55,000</u>	<u>55,000</u>
Total Liabilities	\$ 247,540	\$ 59,589
		Stockholders' Equity
Paid in Capital	\$ 26,980	\$ 26,980
Retained Earnings	<u>29,034</u>	<u>(22,238)</u>
Total Stockholders' Equity	<u>\$ 56,014</u>	<u>\$ 4,742</u>
Total Liabilities & Stockholders' Equity	\$ <u>303,554</u>	\$ <u>64,331</u>

-See Accountant's Audit Report and Notes to Financial Statement-
Richard J Girasole, CPA, PC

TN Capital Equities, Ltd.
Statement of Income
Twelve Months Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Income		
Fees & Commissions	\$ <u>2,559,635</u>	\$ <u>949,968</u>
Total Income	2,559,635	949,968
General & Administrative Expenses		
Advertising	0	1,638
Computer Expense	490	0
Depreciation	1,204	669
Delivery/Messenger	897	0
Registration Fees	3,223	3,955
NASD Fees	11,140	11,242
Medical Insurance	0	1,471
Office	24,395	16,932
Postage	1,935	1,383
Broker Fees	1,397,940	819,579
Consulting Fees	914,289	0
Professional Fees	110,727	5,758
Rent	19,366	30,881
Taxes Corp - State	4,500	0
Taxes Corp - City	5,500	750
Taxes Corp - Federal	6,500	0
Telephone	3,924	7,480
Travel	0	3,142
Travel & Entertainment	<u>2,374</u>	<u>4,346</u>
Total G & A Expenses	\$ <u>2,508,404</u>	\$ <u>909,226</u>
Other Income		
Interest Income	<u>41</u>	<u>43</u>
Total Other Income	\$ <u>41</u>	\$ <u>43</u>
Net Income	\$ <u><u>51,272</u></u>	\$ <u><u>40,785</u></u>

-See Accountant's Audit Report and Notes to Financial Statement-
Richard J Girasole, CPA, PC

TN Capital Equities, Ltd.
Statement of Cash Flows
Twelve Months Ended December 31, 2004

Cash Provided From Operations		
Net Income	\$	51,272
Adjustments		
Add:		
Depreciation		1,204
Accounts Receivable		9,250
Accounts Payable		<u>187,951</u>
Cash From Operations		\$ 249,677
Cash Flows - Financing		- 0 -
Financing Cash Flows		- 0 -
Cash Increase		249,677
Cash - Beginning of Year		
Cash in Bank	\$	25,171
Cash in Bank - Savings		<u>6,540</u>
Total - Beginning of Year		<u>31,711</u>
Cash on Statement Date		\$ <u>281,388</u>

-See Accountant's Audit Report and Notes to Financial Statement-
Richard J Girasole, CPA, PC

TN Capital Equities, Ltd.
Statement of Changes in Stockholders' Equity
December 31, 2004

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Total Capital</u>
Stockholders' Equity January 1, 2004	\$ <u>4,742</u>
Net Income	51,272
Capital Contributions	0
Total Capital Contributions	<u>0</u>
Stockholders' Equity	\$ <u>56,014</u>

-See Accountant's Audit Report and Notes Financial Statement-
Richard J Girasole, CPA, PC

TN Capital Equities, Ltd.
Change in Financial Position
Twelve Months Ended December 31, 2004

Source of Funds		
Operations:		
Net Profit	\$ 51,272	
Add:		
Depreciation	<u>1,204</u>	
Total From Operations		\$ 52,476
Other Sources	0	
Total Other Sources		<u>0</u>
Total Source of Funds		52,476
Application of Funds	0	
Total Application of Funds		<u>0</u>
Change: Working Capital		\$ <u>52,476</u>

-See Accountant's Audit Report and Notes to Financial Statement-
Richard J Girasole, CPA, PC

Notes to Financial Statements

Organization

1. TN Capital Equities, Ltd. (the "Company"), initially known as GrowVest Capital Securities, Inc. and later known as Hornblower Capital Securities, Inc., is a Delaware corporation incorporated March 18, 1998, which is registered as a broker-dealer under the Securities Exchange Act of 1934 (the "Exchange Act"), and which became a member of the National Association of Securities Dealers, Inc. ("NASD") on September 24, 1998. The Company is a wholly owned subsidiary of TerraNova Capital Partners, Inc., initially known as GrowVest Capital Partners, Inc., and later known as Hornblower Capital Partners Inc., a Delaware corporation.

Significant Accounting Policies

2. The Company's business is limited to acting as a private placement agent and to consulting in connection with mergers and acquisitions. Company revenues are derived from commissions and fees earned in private placement transactions and merger and acquisition consulting fees. The Company does not engage in any operations requiring establishment of customer accounts, handling of customer securities or funds, retail securities transactions, securities clearing activities, margin activities or any other forms of securities business. Significant changes in the Company's business require NASD approval.

Initial Operations

3. From the time of its incorporation until it became a NASD member, the Company engaged in planning, organization and other activities preliminary to its becoming authorized to do business as a broker-dealer. From the date of its NASD admission until December 31, 2004, the Company applied to and is registered as a broker-dealer in various states and seeks to obtain business opportunities as a private placement agent and merger and acquisition consultant.

Net Capital Requirement

4. As a registered broker-dealer, the Company is subject to Rule 15c3-1 (the Net Capital Rule) promulgated under the Exchange Act, and to comparable rules of the NASD relating to net capital. Pursuant to such rules, the Company is required to maintain net capital of at least \$5,000. At December 31, 2004 the company had net capital of \$111,014. This amount exceeded such requirements for 2004 by \$106,014. At December 31, 2003, the Company had net capital of \$ 27,132.
5. The NASD has approved, for purposes of computing net capital, a \$55,000 subordinated loan to the Company from the Parent Company for a period of five years.

TN Capital Equities, Ltd.
Computation of Net Capital For Brokers and Dealers
December 31, 2004

COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS
PURSUANT TO RULE 15c3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934

NET CAPITAL	\$	56,014
Add: Subordinated Loan		<u>55,000</u>
TOTAL CAPITAL		111,014
DEDUCTIONS		-0-
HAIRCUTS ON SECURITIES		<u>-0-</u>
NET CAPITAL	\$	111,014
MINIMUM NET CAPITAL REQUIREMENT		<u>5,000</u>
EXCESS NET CAPITAL	\$	<u>106,014</u>
AGGREGATE INDEBTEDNESS		N/A

No material differences exist between the above computation and the computation included in the company's corresponding un-audited Part II of Form X-17A-5 as of December 31, 2004.

TN Capital Equities, Ltd.
Computation of Reserve Requirements
December 31, 2004

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3
UNDER THE SECURITIES EXCHANGE ACT OF 1934
AS OF DECEMBER 31, 2004**

EXEMPTION UNDER SECTION (k)(2)(i) IS CLAIMED:

The company is exempt from the provision of Rule 15c3-3 under the Exchange Act in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.