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SECURITIES



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ANNUAL AUDITED REPORT

PART III

SEC FILE NUMBER

8 - 66179

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 JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

DAVID ADAMS CAPITAL MARKETS, LLC

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

30 BROAD STREET

(No. And Street)

NEW YORK

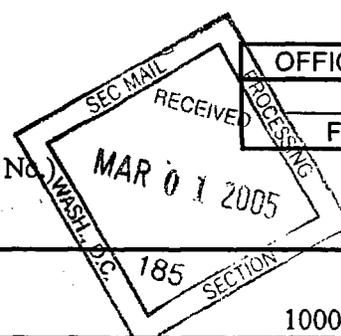
(City)

NY

(State)

10004

(Zip Code)



OFFICIAL USE ONLY

FIRM ID. NO.

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

DAVID ROSENBERG

(646) 432-6311

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

60 EAST 42<sup>ND</sup> STREET

(Address)

NEW YORK

(City)

NY 10165

(State) (Zip Code)

CHECK ONE:

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

MAR 23 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 basis for the exemption. See section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, DAVID ROSENBERG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DAVID ADAMS CAPITAL MARKETS, 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:

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

David Rosenberg  
Signature  
CEO  
Title

Susan E. Vanvelson  
Notary Public  
SUSAN E. VANVELSON  
Notary Public, State of New York  
No. 01VA6045572  
Qualified in Ulster County DC  
Commission Expires July 31, 20  

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 Stockholders' Equity 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 or 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 sin the date of previous audit
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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



DAVID ADAMS CAPITAL MARKETS, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2004

INDEPENDENT AUDITORS' REPORT

To the Member of  
David Adams Capital Markets, LLC:

We have audited the accompanying statement of financial condition of David Adams Capital Markets, LLC (the "Company") as of December 31, 2004. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of David Adams Capital Markets, LLC as of December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

*Fulvio & Associates LLP*

New York, New York  
February 7, 2005

DAVID ADAMS CAPITAL MARKETS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2004

ASSETS

Cash	\$ 69,483
Receivable from Clearing Broker	285,035
Furniture, Fixtures and Equipment (net of accumulated amortization of \$7,811)	45,113
Prepaid Expenses	27,118
Security Deposits	<u>72,577</u>
 TOTAL ASSETS	 <u>\$ 499,326</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:

Accrued Expenses and other Liabilities	<u>\$ 108,720</u>
 TOTAL LIABILITIES	 108,720
 Member's Equity	 <u>390,606</u>
 TOTAL LIABILITIES AND MEMBER'S EQUITY	 <u>\$ 499,326</u>

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

DAVID ADAMS CAPITAL MARKETS, LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004

NOTE 1. ORGANIZATION AND INCOME

David Adams Capital Markets, LLC (the "Company") is a New York limited liability company formed February 27, 2003. The Company was registered as a broker-dealer on March 16, 2004 with the Securities and Exchange Commission ("SEC") and the National Association of Security Dealers, Inc. ("NASD").

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require the use of estimates by management.

The company was organized as a sole member L.L.C. and as such no provision for federal and state income taxes has been made since the Company is not a taxable entity. The member is liable for the taxes on the Company's income or loss.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of the statement of cash flows, the company considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

The company computes depreciation and amortization on the straight line method based on the estimated useful life of the assets.

NOTE 3. NET CAPITAL REQUIREMENT

The company is a registered broker-dealer subject to the Securities and Exchange Commission's Uniform Net Capital Rule. This rule requires that the Company maintain a minimum net capital of \$50,000. As of December 31, 2004 the Company had net capital of \$146,273, which exceeded the minimum requirements by \$96,273.

DAVID ADAMS CAPITAL MARKETS, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2004  
(continued)

NOTE 4. SIGNIFICANT GROUP CONCENTRATION OF RISK

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the customers and/or other counterparties with which it conducts business.

As of December 31, 2004, there were no customer accounts having debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.

NOTE 5. DEFERRED RENT

The Company has entered into a lease agreement for its office space which contain provisions for future rent increases and periods in which rent payments are reduced or abated. In the months that have abated or reduced rents, the Company records deferred rent equal to the reduction. The total deferred rent per the lease is amortized over the life of the lease and is recorded as a reduction to rent expense each month. Deferred rent is reflected as a separate line item in the accompanying Statement of Financial Condition. For the year ended December 31, 2004, the company recorded approximately \$ 89,188 of deferred rent and offset it with \$ 15,940 of amortization.

The minimum future annual rental payments are as follows:

<u>Year Ending December</u>	<u>Amount</u>
2004	\$ 85,813
2005	175,975
2006	184,564
2007	187,880
2008	191,263
2009	<u>172,136</u>
	<u>\$ 997,631</u>