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ANNUAL REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8 - 41938

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:

Financial Consultant Group, LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

830 Morris Turnpike

(No. and Street)

Short Hills

(City)

New Jersey

(State)

07078

(Zip Code)

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

Kenneth Gilmore

(973) 379-7484

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Rothstein, Kass & Company, P.C.

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

85 Livingston Avenue

(Address)

Roseland

(City)

New Jersey

(State)

07068

(Zip Code)

CHECK ONE:

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

MAR 31 2005

THOMSON FINANCIAL

B

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).

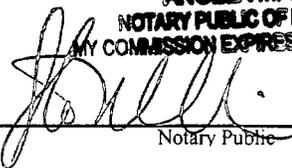
SEC 1410 (06-02)

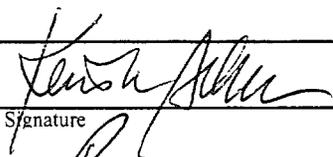
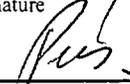
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OATH OR AFFIRMATION

I, Kenneth Gilmore, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Consultant Group, 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:

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

  
ANGELA M. QUINN  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JANUARY 18, 2010  
Notary Public

  
Signature  
  
Title

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 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 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.
- (o) Independent auditor's report on internal accounting control.
- (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

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

**FINANCIAL CONSULTANT GROUP, LLC**

**STATEMENT OF FINANCIAL CONDITION  
AND  
INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2004**

# FINANCIAL CONSULTANT GROUP, LLC

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Financial Consultant Group, LLC

We have audited the accompanying statement of financial condition of Financial Consultant Group, LLC (the "Company") as of December 31, 2004. This statement of financial condition 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes 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 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 Financial Consultant Group, LLC as of December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

*Rothstein, Kass & Company, P.C.*

Roseland, New Jersey  
January 18, 2005

# FINANCIAL CONSULTANT GROUP, LLC

## STATEMENT OF FINANCIAL CONDITION

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December 31, 2004

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### ASSETS

Cash and cash equivalents	\$	224,951
Receivable from clearing broker		121,669
Equipment, net		
Other assets		<u>53,178</u>
	\$	<u>399,798</u>

### LIABILITIES AND MEMBERS' EQUITY

#### Liabilities

Commissions payable	\$	30,597
Accounts payable and accrued expenses		<u>44,785</u>
Total liabilities		75,382
Members' equity		<u>324,416</u>
	\$	<u>399,798</u>

# FINANCIAL CONSULTANT GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations

Financial Consultant Group, LLC (the "Company") is a limited liability company which is an introducing broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD).

### 2. Summary of significant accounting policies

#### *Cash and Cash Equivalents*

The Company considers all highly-liquid instruments purchased with a maturity of less than three months to be cash equivalents.

#### *Equipment*

Equipment is stated at cost less accumulated depreciation. The Company provides for depreciation using the declining-balance method over 5-7 years.

#### *Securities Transactions*

Securities transactions and related income and expenses are recorded on a trade-date basis.

#### *Income Taxes*

The Company is treated as a partnership for federal and state income tax purposes and, therefore, does not record a provision for income taxes. Accordingly, the individual members report their share of the Company's income or loss on their personal income tax returns.

#### *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 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.

# FINANCIAL CONSULTANT GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS

### 3. Equipment

Details of equipment at December 31, 2004 are as follows:

Furniture and fixtures	\$	70,406
Computer equipment		116,056
		<u>186,462</u>
Less accumulated depreciation		<u>186,462</u>
	\$	<u>-</u>

### 4. Commitments and contingencies

The Company is obligated under two office leases expiring through October 2009, which includes a leasing arrangement with a related party. In addition to the base rent, the leases provide for the Company to pay property taxes and certain operating expenses.

Future aggregate minimum annual payments under these leases are approximately as follows:

<b>Year ending December 31,</b>		
2005	\$	107,800
2006		87,600
2007		87,600
2008		87,600
2009		65,700
		<u>436,300</u>
	\$	<u>436,300</u>

Rent expense for the year ended December 31, 2004 was approximately \$182,000.

### 5. Net capital requirements

The Company is a member of the NASD and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule 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 and that equity capital may not be withdrawn or cash distributions paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2004, the Company's net capital was approximately \$268,000, which was approximately \$168,000 in excess of its minimum requirement of \$100,000.

# FINANCIAL CONSULTANT GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS

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### **6. Exemption from Rule 15c3-3**

The Company is exempt from SEC Rule 15c3-3 pursuant to the exemptive provision under sub-paragraph (k)(2)(ii) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."

### **7. Off-balance-sheet risk and concentration of credit risk**

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company. In addition, the Company must maintain at least \$100,000 net capital with the clearing broker.

All of the Company's securities transactions and the receivable from the clearing broker at December 31, 2004 are pursuant to this clearance agreement.