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SECURITY

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Washington, D.C. 20549

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SEC FILE NUMBER
8- 21380

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

**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 1/1/2005 AND ENDING 12/31/2005  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Monness, Crespi, Hardt & Co., Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

767 Third Avenue

(No. and Street)

New York

(City)

New York

(State)

10017

(Zip Code)

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

Neil Crespi

(212) 838-7575

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Vassallo, Vincent R.

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

16 Porter Place, Sea Cliff, New York

11579

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
**APR 27 2006**  
**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).



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA 12

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER Monness, Crespi, Hardt & Co., Inc.

SEC. FILE NO.

8 21380 14

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.) 13

FIRM ID NO.

13-2878577 15

767 Third Avenue 20

FOR PERIOD BEGINNING (MM/DD/YY)

1/1/2005 24

(No. and Street)

AND ENDING (MM/DD/YY)

New York 21

NY 22

10017 23

12/31/2005 25

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

Neil Crespi 30

(212) 838-7575 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT 32

OFFICIAL USE 33

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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

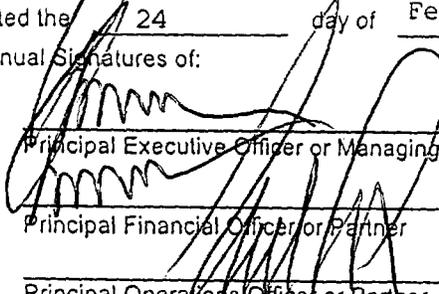
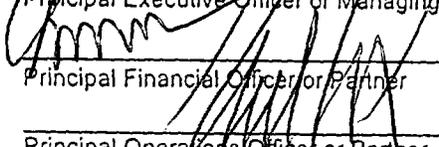
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 24 day of February 20 06

Manual Signatures of:

- 1)   
Principal Executive Officer or Managing Partner
- 2)   
Principal Financial Officer or Partner
- 3)   
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a))

# VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

16 PORTER PLACE  
SEA CLIFF, NEW YORK 11579  
TEL.: (516) 759-1994 FAX: (516) 759-7109

## ACCOUNTANTS' CERTIFICATE

Monness, Crespi, Hardt & Co., Inc.  
767 Third Avenue  
New York, New York 10017

Gentlemen:

We have examined the Focus Report of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2005. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a review of the system of internal control and the procedures for safeguarding securities and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including the audit procedures prescribed by the Securities and Exchange Commission. As a result of our audit, we have concluded that there are no material inadequacies in the system of internal control and procedures for safe-guarding securities.

In our opinion, the accompanying Focus Report presents fairly the financial position of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2005 in the form required by the Securities and Exchange Commission in conformity with generally accepted accounting principles, consistently applied.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANT

Sea Cliff, New York  
February 24, 2006

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Monness, Crespi, Hardt & Co., Inc.

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## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/05 99  
 SEC FILE NO. 8-21380 98  
 Consolidated   198  
 Unconsolidated X 199

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash .....	\$ 23,753 <span style="border: 1px solid black; padding: 2px;">200</span>		\$ 23,753 <span style="border: 1px solid black; padding: 2px;">750</span>
2. Receivables from brokers or dealers:			
A. Clearance account .....	1,507,931 <span style="border: 1px solid black; padding: 2px;">295</span>		
B. Other .....	758,615 <span style="border: 1px solid black; padding: 2px;">300</span>		
3. Receivables from non-customers .....	355	425,944 <span style="border: 1px solid black; padding: 2px;">600</span>	2,266,546 <span style="border: 1px solid black; padding: 2px;">810</span>
4. Securities and spot commodities owned, at market value:			
A. Exempted securities .....	418		
B. Debt securities .....	419		
C. Options .....	420		
D. Other securities .....	424		
E. Spot commodities .....	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost \$ <span style="border: 1px solid black; padding: 2px;">130</span>			
B. At estimated fair value .....	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ <span style="border: 1px solid black; padding: 2px;">150</span>			
B. Other securities \$ <span style="border: 1px solid black; padding: 2px;">160</span>			
7. Secured demand notes: .....	470	640	890
Market value of collateral:			
A. Exempted securities \$ <span style="border: 1px solid black; padding: 2px;">170</span>			
B. Other securities \$ <span style="border: 1px solid black; padding: 2px;">180</span>			
8. Memberships in exchanges:			
A. Owned, at market \$ <span style="border: 1px solid black; padding: 2px;">190</span>			
B. Owned, at cost .....		650	
C. Contributed for use of the company, at market value .....		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....	490	265,958 <span style="border: 1px solid black; padding: 2px;">680</span>	265,958 <span style="border: 1px solid black; padding: 2px;">920</span>
11. Other assets .....	535	38,380 <span style="border: 1px solid black; padding: 2px;">735</span>	38,380 <span style="border: 1px solid black; padding: 2px;">930</span>
12. TOTAL ASSETS .....	\$ 2,290,299 <span style="border: 1px solid black; padding: 2px;">540</span>	\$ 730,282 <span style="border: 1px solid black; padding: 2px;">740</span>	\$ 3,020,581 <span style="border: 1px solid black; padding: 2px;">940</span>

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

Monness, Crespi, Hardt & C., Inc.

as of 12/31/05

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	1,101,358 1205	1385	1,101,358 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		750,000 1400	750,000 1710
1. from outsiders	\$ 970		
2. Includes equity subordination (15c3-1 (d)) of ....	\$ 980		
B. Securities borrowings, at market value:...		1410	1720
from outsiders	\$ 990		
C. Pursuant to secured demand note collateral agreements:		1420	1730
1. from outsider:	\$ 1000		
2. Includes equity subordination (15c3-1 (d)) of ....	\$ 1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 1,101,358 1230	\$ 750,000 1450	\$ 1,851,358 1760

**Ownership Equity**

1. Sole proprietorship		\$ 1770
2. Partnership (limited partners)	\$ 1020	\$ 1780
3. Corporation:		
A. Preferred stock		1791
B. Common stock		20,000 1792
C. Additional paid-in capital		55,000 1793
D. Retained earnings		1,094,223 1794
E. Total		1,169,223 1795
F. Less capital stock in treasury		1796
4. TOTAL OWNERSHIP EQUITY		\$ 1,169,223 1800
5. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 3,020,581 1810

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Monness, Crespi, Hardt & Co., Inc.

as of 12/31/05

## COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$ 1,169,223	3480	
2. Deduct ownership equity not allowable for Net Capital .....	( )	3490	
3. Total ownership equity qualified for Net Capital .....	1,169,223	3500	
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....	750,000	3520	
B. Other (deductions) or allowable credits (List) .....		3525	
5. Total capital and allowable subordinated liabilities .....	\$ 1,919,223	3530	
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) .....	\$ 730,282	3540	
B. Secured demand note delinquency .....		3590	
C. Commodity futures contracts and spot commodities— proprietary capital charges .....		3600	
D. Other deductions and/or charges .....		3610	
	( 730,282 )	3620	
7. Other additions and/or allowable credits (List) .....		3630	
8. Net capital before haircuts on securities positions .....	\$ 1,188,941	3640	
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$	3660	
B. Subordinated securities borrowings .....		3670	
C. Trading and investment securities:			
1. Exempted securities .....	\$	3735	
2. Debt securities .....		3733	
3. Options .....		3730	
4. Other securities .....		3734	
D. Undue Concentration .....		3650	
E. Other (List) .....		3736	
	( )	3740	
10. Net Capital .....	\$ 1,188,941	3750	

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

Monness, Crespi, Hardt &amp; Co., Inc

as of 12/31/05

## COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 2/3% of line 19) .....	\$	73,423	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	100,000	3760
14. Excess net capital (line 10 less 13) .....	\$	1,080,326	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	1,078,805	3780

## COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition .....	\$	1,101,358	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3900	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	3830
19. Total aggregate indebtedness .....	\$	1,101,358	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ line 10) .....	%	93	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	N/A	3860

## COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

22. 2% of combined aggregate debt items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debts .....	\$	N/A	3970
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
24. Net capital requirement (greater of line 22 or 23) .....	\$		3760
25. Excess capital (line 10 less 24) .....	\$		3910
26. Net capital in excess of the greater of:			
A. 5% of combined aggregate debt items or \$120,000 .....	\$	N/A	3920

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6 2/3% of aggregate indebtedness or 4% of aggregate debts if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17e-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER **Monness, Crespi, Hardt & Co., Inc**

For the period (MMDDYY) from **1/1/05** **3932** to **12/31/05** **3933**  
 Number of months included in this statement **12** **3931**

## STATEMENT OF INCOME (LOSS)

### REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	17,212,476	3935
b. Commissions on listed option transactions			3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
3. Gains or losses on firm securities investment accounts			3952
4. Profit (loss) from underwriting and selling groups		\$	245,025
5. Revenue from sale of investment company shares			3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		\$	1,158,356
9. Total revenue		\$	18,615,857

### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers		\$	2,448,000	4120
11. Other employee compensation and benefits			5,910,503	4115
12. Commissions paid to other broker-dealers			1,941,820	4140
13. Interest expense			28,996	4075
a. Includes interest on accounts subject to subordination agreements	20,742		4070	
14. Regulatory fees and expenses				4195
15. Other expenses			7,813,864	4100
16. Total expenses		\$	18,143,183	4200

### NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)		\$	472,674	4210
18. Provision for Federal income taxes (for parent only)				4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above				4222
a. After Federal income taxes of	4338			
22. Extraordinary gains (losses)				4224
a. After Federal income taxes of	4239			
21. Cumulative effect of changes in accounting principles				4225
22. Net income (loss) after Federal income taxes and extraordinary items		\$	472,674	4230

### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items		\$	N/A	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Monness, Crespi, Hardt & Co., Inc.

For the period (MMDDYY) from 1/1/05 to 12/31/05

## STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	696,549		4240
A. Net income (loss) .....		472,674		4250
B. Additions (Includes non-conforming capital of .....	\$	4262	)	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	)	4270
2. Balance, end of period (From Item 1800) .....	\$	1,169,223		4290

## STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$	750,000		4300
A. Increases .....				4310
B. Decreases .....				4320
4. Balance, end of period (From Item 3520) .....	\$	750,000		4330

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Monness, Crespi, Hardt & Co., Inc as of 12/31/05

### Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1) — \$2,500 capital category as per Rule 15c3-1 4550
- B. (k) (2)(A) — "Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k) (2) (B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis  
 Name of clearing firm: Spear, Leeds & Kellogg 4335 X 4570
- D. (k) (3) — Exempted by order of the Commission (include copy of letter) 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
4600	4601	4602	4603	4604	4605
4610	4611	4612	4613	4614	4615
4620	4621	4622	4623	4624	4625
4630	4631	4632	4633	4634	4635
4640	4641	4642	4643	4644	4645
Total \$			0	4699	

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Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

- WITHDRAWAL CODE:      DESCRIPTIONS
- 1.                      Equity Capital
  - 2.                      Subordinated Liabilities
  - 3.                      Accruals

MONNESS, CRESPI, HARDT & CO., INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL  
DECEMBER 31, 2005

<u>Line Description</u>	<u>Per Audited Report</u>	<u>Per Unaudited Report</u>	<u>Increase (Decrease) Net Capital</u>	<u>Explanation</u>
3480 Total ownership equity	\$1,169,223	\$1,169,223	-	
3520 Liabilities subordinated	750,000	750,000	-	
3540 Less non-allowable assets	<u>730,282</u>	<u>738,897</u>	<u>\$ 8,615</u>	Year end Adjustment
3750 Net capital	<u>\$1,188,941</u>	<u>\$1,180,326</u>	<u>\$ 8,615</u>	

MONNESS, CRESPI, HARDT & CO., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2005

Increase (Decrease) in Cash

Cash flows from operating activities:	
Net income	\$ 472,674
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	80,397
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables from clearing brokers	587,033
Receivables from non-customers	(425,944)
Other assets	(37,828)
Increase (decrease) in:	
Accounts payable	<u>(677,960)</u>
Net decrease in cash	( 1,628)
Cash, beginning of period	<u>25,381</u>
Cash, end of period	<u>\$ 23,753</u>

The accompanying notes are an integral part of this statement.

MONNESS, CRESPI, HARDT & CO., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

Note 1 - Inception of Operations:

The Company commenced its business operations on February 11, 1977. The Company is a member of the N.A.S.D. and its principal business consists of being a broker dealer.

Note 2 - Net Capital:

The Company is a registered broker dealer subject to the SEC uniform net capital rule. This rule requires that the Company maintains a minimum net capital, as defined, of one-fifteenth of aggregate indebtedness or \$100,000, whichever is greater.