

CM

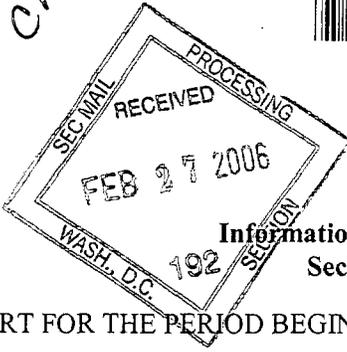


06002683

D STATES  
CHANGE COMMISSION  
on, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response.....12.00

319



DITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-51301

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 01/01/05 AND ENDING 12/31/05  
MM/DD/YY MM/DD/YY \*

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER:

CPIBD LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

599 Lexington Ave., 38<sup>th</sup> Floor

(No. and Street)

New York  
(City)

NY  
(State)

10022  
(Zip Code)

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

Lorraine Costelloe, FINOP

(212) 702-8645

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Eisner LLP

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

750 Third Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

APR 21 2006

THOMSON  
FINANCIAL

Handwritten initials

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).

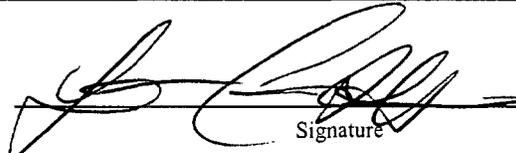
Handwritten signature/initials

OATH OR AFFIRMATION

I, Lorraine Costelloe, CFO/FINOP, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CPIBD LLC, as of December 31, 2005 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:

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

KATHRYN V. HILSDORF  
Notary Public, State of New York  
No. 01HI6040812  
Qualified in Queens County  
Commission Expires May 1, 2006

  
Signature

FINOP

Title

  
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 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 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 Auditors' Report on internal accounting control required by SEC Rule 17a-5.

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

**CPIBD LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2005**

**Eisner**

Eisner LLP  
Accountants and Advisors

750 Third Avenue  
New York, NY 10017-2703  
Tel 212.949.8700 Fax 212.891.4100  
www.eisnerllp.com

**INDEPENDENT AUDITORS' REPORT**

To the Member  
CPIBD LLC  
New York, New York

We have audited the accompanying statement of financial condition of CPIBD LLC (the "Company") as of December 31, 2005, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 statement. 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 statement referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

*Eisner LLP*

New York, New York  
February 3, 2006

**CPIBD LLC**

**Statement of Financial Condition  
December 31, 2005**

**ASSETS**

|                 |                |
|-----------------|----------------|
| Cash            | \$ 19,809      |
| Due from parent | <u>150,735</u> |

**\$ 170,544**

**LIABILITIES**

|                  |          |
|------------------|----------|
| Accrued expenses | \$ 5,000 |
|------------------|----------|

**MEMBER'S CAPITAL**

**165,544**

**\$ 170,544**

## **CPIBD LLC**

### **Notes to Statement of Financial Condition December 31, 2005**

#### **NOTE A - ORGANIZATION AND NATURE OF BUSINESS**

CPIBD LLC (the "Company") is a wholly-owned subsidiary of Compass Advisers, LLP ("CPI"). The Company is a Delaware Limited Liability Company and a registered broker-dealer under the Securities Exchange Act of 1934, and is a member of the National Association of Securities Dealers, Inc. (the "NASD").

The Company provides advisory services and arranges for the private placement of securities for institutional clients' transactions.

#### **NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

##### **[1] Cash:**

Cash is held at a bank in a demand deposit account.

##### **[2] Use of estimates:**

The Company's statement of financial condition has been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the financial statement requires management of the Company to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

#### **NOTE C - INCOME TAXES**

As a single-member limited liability company, the Company is not subject to Federal, state or local income taxes. Rather, all items of taxable income, expense, gain and loss pass through to and are reported by its parent, CPI. For this reason the Company does not accrue for income taxes.

#### **NOTE D - NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission ("SEC") Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness. At December 31, 2005, the Company had net capital of \$14,809, which was \$9,809 in excess of its required net capital of \$5,000.

The Company is exempt from SEC Rule 15c3-3.

#### **NOTE E - RELATED PARTY TRANSACTIONS**

Certain intercompany costs and fees are settled through due to and due from parent accounts in the accompanying statement of financial condition. The parent, CPI, absorbs certain direct and indirect administrative costs on behalf of the Company, and the Company relies upon CPI's financial capacity to fund operations. There is no guarantee that CPI will continue to have the financial capacity to fund the Company's operations.