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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8-41389

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:

Cantor, Weiss & Friedner, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

880 Third Avenue

(No. and Street)

New York  
(City)

NY  
(State)

10022  
(Zip Code)

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

Mr. Paul Cantor

PROCESSED

(212) 350-7200

(Area Code — Telephone No.)

MAY 01 2006

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  
(Address)

New York  
(City)

NY  
(State)

10017  
(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

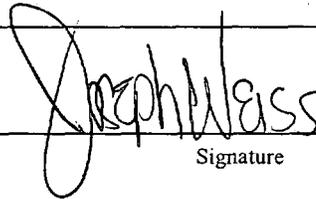
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

*Handwritten signature and date: 4/28/06*

OATH OR AFFIRMATION

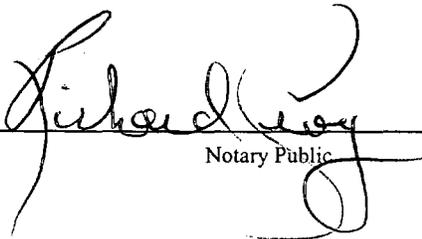
I, Joseph Weiss, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cantor, Weiss & Friedner, Inc., as of December 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

  
Signature

Secretary

Title

  
Notary Public

Richard Levy  
Notary Public, State of New York  
No. 24-2341920  
Qualified in Kings County  
Commission Expires March 30, 2007

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).

**CANTOR, WEISS & FRIEDNER, INC.**  
**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](http://www.eisnerllp.com)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Cantor, Weiss & Friedner, Inc.

We have audited the accompanying statement of financial condition of Cantor, Weiss & Friedner, Inc. 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 statement of financial condition presents fairly, in all material respects, the financial position of Cantor, Weiss & Friedner, Inc. at December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
February 16, 2006

**CANTOR, WEISS & FRIEDNER, INC.**

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

**ASSETS**

Cash	\$ 21,177
Due from clearing broker	869,342
Commissions receivable	70,201
Securities owned, at market value	294,650
Furniture, fixtures, office equipment and leasehold improvements (net of accumulated depreciation and amortization of \$1,047,131)	299,187
Other assets	<u>31,362</u>
	<u>\$ 1,585,919</u>

**LIABILITIES**

Commissions payable	\$ 154,453
Accrued expenses and other liabilities	359,999
Securities sold short, at market value	<u>45,030</u>
	<u>559,482</u>

Commitments

**STOCKHOLDERS' EQUITY**

Common stock - no par value; 200 shares authorized; 165.75 shares issued	614,846
Retained earnings	741,285
Less 34 shares of common stock in treasury, at cost	<u>(329,694)</u>
	<u>1,026,437</u>
	<u>\$ 1,585,919</u>

## **CANTOR, WEISS & FRIEDNER, INC.**

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

#### **NOTE A - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **[1] Business:**

Cantor, Weiss & Friedner, Inc. (the "Company") is a registered broker/dealer, clearing all of its customer transactions through a correspondent broker on a fully disclosed basis. The Company also trades securities on margin for its own account.

##### **[2] Revenue recognition and valuation of investments:**

Securities transactions and commission revenue and expenses are recorded on a trade date basis. Securities owned and sold short are valued at market value based on exchange quoted prices or at fair value as determined by management.

##### **[3] Equipment and improvements:**

Furniture, fixtures, office equipment and leasehold improvements are stated at cost. Depreciation is provided on both the straight-line and accelerated methods over the shorter of the estimated useful lives of the respective assets or over the lease term.

##### **[4] 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 financial statements. Actual results could differ from those estimates.

#### **NOTE B - INCOME TAXES**

The Company elected to be treated as an S corporation pursuant to Section 1362 of the Internal Revenue Code. As a result of this election, the Company's income or loss is reportable on the individual tax returns of its stockholders. A similar election was made for New York State tax purposes. The Company is subject to New York City corporate income taxes and the New York State corporate minimum tax.

#### **NOTE C - RELATED PARTY TRANSACTIONS**

The Company, serving as introducing broker, earned commission income during 2005 from affiliated investment partnerships.

The Company shares its offices and certain personnel, administrative and overhead expenses with Cantor, Weiss & Wurm Asset Management Co., Inc., formerly Cantor Weiss Asset Management Co., Inc., and Litchfield Management, Inc., affiliated investment advisors.

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

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which 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. At December 31, 2005, the Company had net capital of approximately \$661,000, which was approximately \$561,000 in excess of its required net capital of \$100,000. The Company's net capital ratio was 0.78 to 1.

**CANTOR, WEISS & FRIEDNER, INC.**

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

**NOTE E - CONCENTRATION OF CREDIT RISK**

Substantially all of the Company's cash and securities positions are held by a custodian broker. The Company's custodian broker is highly capitalized and a member of major securities exchanges.

Although the Company clears its customer transactions through another broker/dealer, nonperformance by its customers in fulfilling their contractual obligations pursuant to securities transactions may expose the Company to risk and potential loss. The Company has a policy of reviewing, as considered necessary, the credit standing of each customer with which it conducts business.

**NOTE F - COMMITMENTS - LEASE**

The Company leases office space under a lease expiring in February 2007. The lease is subject to escalations for increases in real estate taxes and operating costs. The aggregate minimum annual rentals under the lease are approximately as follows:

<u>Year Ending December 31,</u>	<u>Minimum Rentals</u>
2006	\$ 191,000
2007	<u>32,000</u>
	<u>\$ 223,000</u>

In lieu of a rent security deposit, the Company maintains an irrevocable standby letter of credit in favor of its landlord in the amount of \$60,000.

**NOTE G - 401(k) PLAN**

The Company maintains a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code. Employees who have completed six months of service and have attained 21 years of age are eligible to participate. Participants may contribute up to 15% of their salary. The plan provides for discretionary employer matching contributions.