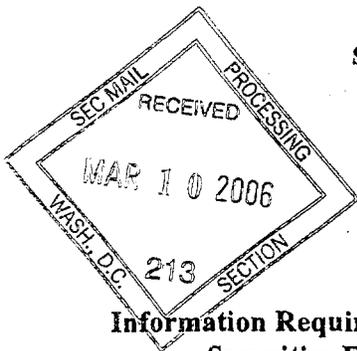




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ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER
B- 66460

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, 2005 AND ENDING December 31, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Alzeon Financial LLC -7 FKA *Arjent Services, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
488 Madison Avenue, 8th Floor

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
New York NY 10022
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
George Davanzo 212-888-3645
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Schneider & Associates LLP

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

100 Jericho Quadrangle, #236, Jericho, NY 11753
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
JUN 20 2006
THOMSON FINANCIAL

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)

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6/21

OATH OR AFFIRMATION

I, George DAVANZO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ALTEON FINANCIAL 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:

[Signature]
Signature
CEO
Title

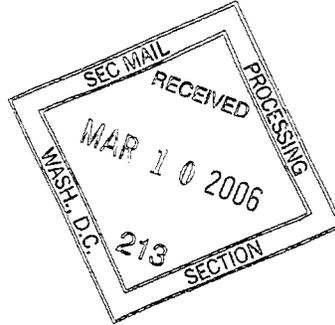
[Signature]
Notary Public

VERITY SANSOUCI
Notary Public, State of New York
No. 01SA6039018
Qualified in Queens County
Commission Expires March 20, 2006

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 Proprietors' 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 control.

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



ALZEON FINANCIAL LLC

FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2005

ALZEON FINANCIAL LLC
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005

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SCHNEIDER & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS
100 JERICHO QUADRANGLE
JERICHO, NEW YORK 11753
TEL: (516) 942-5300 • FAX: (516) 932-6050

JERRY SCHNEIDER, CPA
DEAN HILTZIK, CPA
MORDECAI LERER, CPA
HARRIET GREENBLATT, CPA
HAROLD HILTZIK, CPA

Members
American Institute of CPAs
New York State Society of CPAs

767 Third Avenue, New York, NY 10017
TEL: (212) 564-4330

INDEPENDENT AUDITORS' REPORT

Alzeon Financial LLC
New York, New York

We have audited the accompanying statement of financial condition of Alzeon Financial LLC as of December 31, 2005, and the related statements of income, changes in member's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 statements are 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alzeon Financial LLC as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supporting schedule, Computation of Net Capital, is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Schneider & Associates LLP

Jericho, New York
February 27, 2006



ALZEON FINANCIAL LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2005

ASSETS

Cash	\$226,311
Equipment - net of accumulated depreciation of \$6,500	12,000
Receivables:	
Due from clearing broker	559,566
Due from Alzeon Partners, LLC	110,804
Other assets	<u>5,270</u>
Total assets	<u>\$913,951</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities

Commissions payable	\$ 94,511
Accounts payable and accrued expenses	39,522
Due to Arjent, Ltd.	<u>546,910</u>
Total liabilities	680,943

COMMITMENTS AND CONTINGENCY - see notes

Member's equity	<u>233,008</u>
Total liabilities and member's equity	<u>\$913,951</u>

See accompanying notes to financial statements.

ALZEON FINANCIAL LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005

Revenues

Commission income	\$485,770
Secondary clearing fees	71,429
Interest and other income	<u>13,424</u>
Total revenues	<u>570,623</u>

Expenses

Broker compensation	306,500
Clearing and execution	18,235
Licensing and regulatory fees	18,684
Occupancy	37,513
Legal and professional fees	22,227
Other operating expenses	<u>18,301</u>
Total expenses	<u>421,460</u>

Income before NYC Unincorporated Business tax	149,163
NYC Unincorporated Business tax	<u>5,000</u>
Net income	<u>\$144,163</u>

See accompanying notes to financial statements.

ALZEON FINANCIAL LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2005

BALANCES, January 1, 2005	\$ 24,845
Contributions from parent	64,000
Net income	<u>144,163</u>
BALANCES, December 31, 2005	<u>\$233,008</u>

See accompanying notes to financial statements.

ALZEON FINANCIAL LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

Cash flows from operating activities:	
Net income	\$ <u>144,163</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	3,250
(Increase) decrease in operating assets and liabilities:	
Due from clearing broker	(559,566)
Due from Alzeon Partners, LLC	(110,759)
Other assets	(1,270)
Commissions payable	94,511
Accounts payable and accrued expenses	35,088
Due to Arjent, Ltd.	<u>546,910</u>
Total adjustments	<u>8,164</u>
Net cash provided by operating activities	152,327
Cash flows from investing activities:	
Purchase of equipment	(6,500)
Cash flows from financing activities:	
Contributions from parent	<u>64,000</u>
Net increase in cash	209,827
Cash at January 1, 2005	<u>16,484</u>
Cash at December 31, 2005	<u>\$ 226,311</u>

See accompanying notes to financial statements.

ALZEON FINANCIAL LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 - DESCRIPTION OF BUSINESS

Alzeon Financial LLC (the "Company") is a Delaware limited liability company located in New York City. The Company is a registered broker-dealer with the Securities and Exchange Commission (SEC), and a member of the National Association of Securities Dealers, Inc. (NASD). The Company is wholly-owned by Alzeon Partners LLC ("Partners").

The Company clears all customer transactions on a fully disclosed basis through an independent clearing firm, and does not hold customer funds or safekeep customer securities. Accordingly, the Company claims exemption from the requirements of Rule 15c3-3 under Section k(2)(ii) of the Rule.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The Company records securities transactions and related revenue and expenses on a trade-date basis.

Depreciation of equipment is provided on a straight-line basis over a three-year life.

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

As an LLC, the Company is not subject to federal or state income tax, and thus no federal or state income tax expense has been recorded in the accompanying financial statements. The members of the Company report their proportionate share of membership taxable income or loss in their respective income tax returns. The Company is subject to the NYC Unincorporated Business Tax (UBT) on taxable income. The UBT tax return is filed in combination with Partners; however, the Company's tax provision is computed on a separate company basis.

NOTE 3- DUE FROM CLEARING BROKER

The Company has a clearing agreement with a brokerage firm to carry its accounts. The clearing broker maintains custody of any Company securities and cash balances which may be due from the broker.

ALZEON FINANCIAL LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

These securities and/or cash positions serve as collateral for any amounts due to clearing broker and as collateral for potential defaults of the Company's customers which are carried on the books and records of the clearing brokers.

The Company is subject to credit risk if the clearing broker is unable to repay balances due or deliver securities in their custody. The clearing receivable at December 31, 2005 includes a \$50,000 cash deposit.

NOTE 4 - RELATED PARTY TRANSACTIONS

Secondary Clearing Agreement

The Company has entered into a secondary clearing agreement (SCA) with its clearing firm and Arjent, Ltd. (Arjent), a London-based UK Limited Company registered in the United Kingdom as a broker-dealer with the Financial Services Authority (FSA). Partners owns a minority equity interest in Arjent.

Under terms of the SCA, the clearing firm will provide to Arjent the same services, rights and privileges as those accorded the Company, and Arjent will have all the obligations, indemnities and liabilities that the Company is bound by under the primary clearing agreement. The Company will remain primarily responsible and liable to its clearing firm for acts or omissions of Arjent and its employees or agents while the SCA is in effect, and has further agreed to indemnify the clearing firm for Arjent's nonperformance under the SCA. Arjent, in turn, has agreed to indemnify and hold the Company harmless against losses incurred by the Company arising out of the SCA, and will pay the Company a monthly secondary clearing fee of 20,400 GBP (approximately \$35,000). The Company received fees totaling \$71,429 during the year. At December 31, 2005, the Company owed Arjent \$546,910, which was remitted in January 2006.

Sub-license agreement

The Company has a sub-license agreement with an affiliated entity, Vertical Financial Network LLC (VFN), for the use of office space. The agreement, which expires August 31, 2006, provides for a monthly rental fee of \$1,598. Total rent paid was \$19,176 for the year. The Company also reimbursed VFN approximately \$18,000 during the year for supplies and other administrative costs incurred on the Company's behalf.

ALZEON FINANCIAL LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

Transactions with Alzeon Partners, LLC

During 2005, the Company made cash advances to Partners of approximately \$111,000. The advances are noninterest-bearing and due on demand.

NOTE 5 - OFF-BALANCE SHEET RISK

In the normal course of business, the Company executes, as agent, transactions on behalf of customers through its clearing brokers. The Company regularly reviews all client accounts to ensure that there are sufficient funds to meet all transaction obligations. If the agency transactions do not settle because of failure to perform by the customer, the Company may be obligated to discharge the obligation of the customer, and, as a result, may incur a loss if the market value of the security fluctuates to the detriment of the Company.

The Company does not anticipate nonperformance by customers. The Company's policy is to monitor its market exposure and risk. In addition, the Company has a policy of reviewing, as considered necessary, the credit standing of each customer with which it conducts business.

NOTE 6 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2005, the Company had net capital and net capital requirements of \$104,934 and \$45,419, respectively. The Company's ratio of aggregate indebtedness to net capital was 6.48 to 1.

SUPPLEMENTAL SCHEDULE

ALZEON FINANCIAL LLC
 COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
 DECEMBER 31, 2005

Computation of Net Capital

Member's equity	\$233,008
Nonallowable assets:	
Equipment - net	12,000
Due from Alzeon Partners, LLC	110,804
Other assets	<u>5,270</u>
Total nonallowable assets	<u>128,074</u>
Net capital	104,934
Minimum capital requirement - the greater of \$5,000 or 6.67% of aggregate indebtedness of \$680,943	<u>45,419</u>
Excess net capital	<u>\$ 59,515</u>
Ratio of aggregate indebtedness to net capital	<u>6.48 to 1</u>
Schedule of aggregate indebtedness:	
Commissions payable	\$ 94,511
Accounts payable and accrued expenses	39,522
Due to Arjent, Ltd.	<u>546,910</u>
	<u>\$680,943</u>
Reconciliation with the Company's computation (included in Part IIA of Form X-17A-5 as of December 31, 2005):	
Net capital, as reported in the Company's Part IIA (unaudited)	
FOCUS report	\$119,934
Audit adjustments to record:	
Increase in accrued expenses	<u>(15,000)</u>
Net capital per above	<u>\$104,934</u>

JERRY SCHNEIDER, CPA
DEAN HILTZIK, CPA
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Members
American Institute of CPAs
New York State Society of CPAs

767 Third Avenue, New York, NY 10017
TEL: (212) 564-4330

INDEPENDENT AUDITORS' REPORT ON INTERNAL
ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

Alzeon Financial LLC
New York, New York

In planning and performing our audit of the financial statements of Alzeon Financial LLC for the year ended December 31, 2005, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure, policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit

preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of the inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005 to meet the Commission's objectives.

This report is intended solely for use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Schneider & Associates LLP

Jericho, New York
February 27, 2006