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

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

OMB APPROVAL
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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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DHF Services LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

32 Old Slip, 11th Floor

(No. and Street)

New York

NY

10005

(City)

(State)

(Zip Code)

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

Donald Webbe

(212) 803-5050

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCooper, LLP

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

300 Madison Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

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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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Donald Webbe, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DHF Services LLC, as of December 31, 20 07, 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:

RICHARD M. ANDREW
NOTARY PUBLIC-STATE OF NEW YORK
No. 01AN6163244
Qualified in Queens County
My Commission Expires March 19, 2011



Richard M. Andrew
Notary Public

Donald Webbe

Signature

CFO
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 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.

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

DHF Services LLC
(A Development Stage Entity)
Statement of Financial Condition
December 31, 2007

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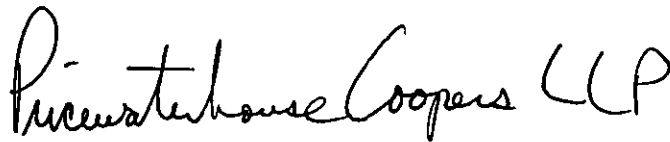
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(A Development Stage Entity)
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December 31, 2007

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Report of Independent Auditors

To the Board of Managers and Member
of DHF Services LLC

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of DHF Services LLC (the "Company"), a Development Stage Entity, at December 31, 2007 in conformity with accounting principles generally accepted in the United States of America. 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 of this statement in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



February 28, 2008

DHF Services LLC
(A Development Stage Entity)
Statement of Financial Condition
December 31, 2007

Assets	
Cash	\$ 1,262,932
Prepaid expenses	<u>167,537</u>
Total assets	<u>\$ 1,430,469</u>
Liabilities and Member's Equity	
Liabilities	
Accrued expenses	<u>\$ 199,485</u>
Total liabilities	<u>199,485</u>
Member's equity	
Member contributions	3,167,376
Deficit accumulated during development stage	<u>(1,936,392)</u>
Total member's equity	<u>1,230,984</u>
Total liabilities and member's equity	<u>\$ 1,430,469</u>

The accompanying notes are an integral part of this statement.

DHF Services LLC
(A Development Stage Entity)
Notes to Statement of Financial Condition
December 31, 2007

1. Organization

DHF Services LLC ("DHF" or the "Company") is a limited liability company formed in the state of Delaware on April 27, 2005. DHF was formed to become a registered broker-dealer that will establish a dealer hedging facility (the "Facility"). As of December 31, 2006, DHF is a wholly owned subsidiary of DHF Funding LLC ("DHF Funding"), which owns the Member Interest in DHF, and is wholly owned by CMET Holdings LLC ("CMET Holdings"). In March 2006, DHF successfully completed its broker-dealer registration process with the Securities and Exchange Commission ("SEC"), pursuant to the Securities Exchange Act of 1934, as amended, and in June 2006, was granted its membership with the National Association of Securities Dealers, Inc. ("NASD"), the predecessor of the Financial Industry Regulatory Authority ("FINRA").

As DHF is in the development stage and has not commenced operations, to date, substantially all of its efforts have been associated with the advancement of its business plan and capital formation.

2. Summary of Significant Accounting Policies

Cash

Cash consists of cash in banks which is held primarily at one major U.S. financial institution.

Income Taxes

The Company is not subject to federal, state or local income taxes. Such taxes are the responsibility of the individual member. However, certain aspects of the Company's business are subject to New York City unincorporated business tax.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Members' Equity

In December 2005, DHF Funding became the sole member of the Company. During the year ended December 31, 2007, DHF received \$2,011,000 in aggregate capital contributions from DHF Funding (refer to Note 4 for additional information on this contribution).

4. Related Party Transactions

In accordance with the Amended LLC Agreement dated July 6, 2007, Debsamax, LLC, a Delaware limited liability company wholly owned by The Bank of New York Mellon Corporation, has made a Capital Contribution to DHF Funding in the amount of \$5,000,000 of Seed Capital Preferred Interests. DHF Funding has then made a contribution to DHF in order to pay developmental costs.

Software License and Technology Commitments

DHF has entered into a software license and maintenance agreement with a third party software vendor (the "Software Provider"), whereby the Software Provider agreed to provide certain software and maintenance services.

DHF Services LLC
(A Development Stage Entity)
Notes to Statement of Financial Condition
December 31, 2007

Matrix Applications LLC ("Matrix") is a wholly owned subsidiary of CMET Holding, which is a shareholder of DHF Funding. For the year ended December 31, 2007, Matrix provided data processing services to DHF. DHF agreed to reimburse Matrix the salary of a programmer hired for the sole purpose of enhancing the Software Provider's software to support DHF's intended business.

Services Arrangement

DHF is operating under the terms and conditions of the August 1, 2007, Back-Up Services Agreement (the "Back Up Services Agreement") with a program servicer (the "Back Up Program Servicer"), an affiliate of a DHF Funding shareholder, to provide DHF with various accounting and operation functions. The Back Up Services Agreement has an initial term that commenced on August 1, 2007 and expires on July 31, 2008, with one year renewal terms available.

5. Net Capital Requirement

DHF is subject to the SEC Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital. Under Rule 15c3-1, DHF is required to maintain minimum net capital equal to the greater of \$100,000 or 12-1/2% of aggregate indebtedness. At December 31, 2007, DHF had net capital of \$1,063,447, which was \$963,447 above its required net capital of \$100,000.

The Company is subject to Rule 15c3-3 under the Securities Exchange Act of 1934. During the year ended December 31, 2007, the Company was not required to and did not hold any customer money or securities.

Washington, DC
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PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York, NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

**Report of Independent Auditors on Internal Control Required
By SEC Rule 17a-5(g)(1)**

To the Board of Managers and Member of DHF Services LLC:

In planning and performing our audit of the financial statements of DHF Services LLC (the "Company"), a Development Stage Entity, as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e);
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3;

The management of the Company is responsible for establishing and maintaining internal control 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 controls 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 SEC's above-mentioned objectives. Two of the objectives of internal control 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 the 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 inherent limitations in internal control and the practices and procedures referred to above, error or fraud 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.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities 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 SEC 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, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



February 28, 2008

END