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# 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 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Greenwood Partners L.P.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

261 Old York Road, Suite 424

(No. and Street)

Jenkintown

PA.

19046

(City)

(State)

(Zip Code)

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

Gregg Greenberg

215-886-4646

(Area Code Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

Romeo & Chiaverelli, LLC CPA's

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

1601 Walnut Street, Suite 815

Philadelphia

PA

19102

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**B** PROCESSED  
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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)

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SEC 1410 (06-02)

Handwritten initials

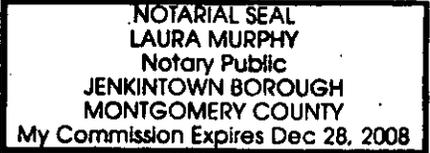
OATH OR AFFIRMATION

I, Gregg Greenberg, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Greenwood Partners L.P., 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:

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

Gregg Greenberg  
Signature  
Part (Gen Pr)  
Title

[Signature]  
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 ~~Income~~ **Cash Flows**
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- N/A (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- N/A (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- N/A (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.
- N/A (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- N/A (m) A copy of the SIPC Supplemental Report.
- N/A (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) A report on Internal Accounting Control

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

Greenwood Partners L.P.

Financial Statements  
and Additional Information

December 31, 2007

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Greenwood Partners L.P.  
Statement of Financial Condition  
December 31, 2007

ASSETS

Cash and Cash Equivalents	\$ 393,020
Receivables	
Clearing Organization	1,493,494
Securities with Clearing Organization	3,234,987
Deposits and Prepaid	16,776
Furniture, Equipment and Leasehold Improvements, at cost	95,527
Less: Accumulated Depreciation	<u>(53,799)</u>
 Total Property, Plant And Equipment	 41,728
 Other Assets	 <u>5,781</u>
 TOTAL ASSETS	 <u>\$ 5,185,786</u>

LIABILITIES AND  
PARTNERS' CAPITAL

LIABILITIES	
Securities Short	\$ 2,745,310
Accounts Payable	61,379
Accrued Expenses	145,995
Due to Related Entity	<u>212,105</u>
 TOTAL LIABILITIES	 3,164,789
 PARTNERS' CAPITAL	
Partners' Capital	<u>2,020,997</u>
 TOTAL LIABILITIES AND PARTNERS' CAPITAL	 <u>\$ 5,185,786</u>

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The accompanying notes are an integral part  
of these financial statements

Greenwood Partners L.P.  
Statement of Changes in Partners' Capital  
December 31, 2007

Schedule of Partners' Capital

Partner's Beginning Capital	\$1,080,078
Net Income - 2007	967,919
General Partner Distribution	<u>(27,000)</u>
Total Partners' Capital	<u>\$2,020,997</u>

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The accompanying notes are an integral part  
of these financial statements

Greenwood Partners L.P.  
Notes to Financial Statements  
December 31, 2007

**NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company was formed in August 1997 under the laws of the State of Delaware for the purpose of trading securities and other related financial instruments.

The following comprise the Company's significant accounting policies:

**Method of Accounting**

The Company maintains its books of account on the basis of recording revenue when earned and expenses when incurred (the accrual basis) in conformity with generally accepted accounting principles.

**Furniture and Equipment**

Furniture and equipment are recorded at cost. Depreciation is provided on the straight-line method over useful lives of the assets which is three or five years. Maintenance and repairs are charged to expenses as incurred; major renewals and betterments are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

**Recognition of Revenue**

Trading securities transactions are recorded on a trade date basis with related income on an unrealized basis.

**Income Taxes**

As a limited partnership company, the Company does not pay federal or state taxes on its taxable income. Instead, the partners' are liable for federal and state taxes on the Company's taxable income.

**Cash**

For purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and

## NOTE 5 - FINANCIAL INSTRUMENTS

Derivative financial instruments used for trading purposes, including economic hedges of trading instruments, are carried at market value or, if market prices are not readily available, fair value. Market values for exchange-traded derivatives, principally options, are based on quoted market prices. Fair values for over-the-counter derivative financial instruments, principally options, are based on pricing models intended to approximate the amounts that would be received from or paid to a third party in settlement of the contracts. Factors taken into consideration include credit spreads, market liquidity, concentrations, and funding and administrative costs incurred over the life of the instruments.

Derivatives used for economic hedging purposes include purchased options. Unrealized gains or losses on these derivative contracts are recognized currently in the statements of income as trading revenues. The Company does not apply hedge accounting as defined in FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, as all financial instruments are marked to market with changes in fair values reflected in earnings. Therefore, the disclosures required in paragraphs 44 and 45 of the Statement are generally not applicable with respect to these financial instruments.

## NOTE 6 - EXTRAORDINARY INCOME

On November 28, 2006 NASD and NYSE Group announced a plan to consolidate their member regulation operations. In connection with the Transaction, a one-time special member payment of \$35,000 was made to each NASD member firm in August 2007.

Greenwood Partners L.P.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

As of December 31, 2007

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition	-
Accounts payable and accrued expenses	\$ 419,479
Total aggregate indebtedness	<u>419,479</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required	\$ 100,000
Excess net capital at 1500%	<u>\$1,399,135</u>
Excess net capital at 1000%	<u>\$1,457,187</u>
Ratio: Aggregate Indebtedness to Net Capital	<u>.28 to 1</u>

Greenwood Partners L.P.

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS

UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

Year Ended December 31, 2007

Greenwood Partners L.P. claims an exemption from Rule 15c3-3 based on Section 15c3-3(k)(2)(ii) who, as an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rules 17a-3 and 17a-4, as are customarily made and kept by the broker or dealer.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS

UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

As of December 31, 2007

Greenwood Partners L.P. claims an exemption from Rule 15c3-3 based on Section 15c3-3(k)(2)(ii) who, as an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, or who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rule 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

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 any internal control or 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 may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including 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 purpose 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 use of management, the Securities and Exchange Commission, FINRA and other regulatory agencies which rely on Rule 17-a-5 (9) under the Securities Exchange Act of 1934 and should not to be used for any other purpose.



Romeo and Chiaverelli, LLC  
Certified Public Accountants  
February 19, 2008

**END**