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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 July 1, 2008 (MM/DD/YY) AND ENDING June 30, 2009 (MM/DD/YY)

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Cazenave and Co., Inc.

| OFFICIAL USE ONLY |
|---|
| FIRM ID. NO. |

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

One Embarcadero Center Suite 500 PmB #5160
(No. and Street)

San Francisco (City) California (State) 94111 (Zip Code)

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

William Carson 303.954.9879
(Area Code — Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Breard & Associates, Inc. Certified Public Accountants
(Name — if individual, state last, first, middle name)

9221 Corbin Avenue, Suite 170 (Address) Northridge (City) California (State) (Zip Code)

**CHECK ONE:**
- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident 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).*

SEC 1410 (3-91)

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AB 9/17

# OATH OR AFFIRMATION

I, William Carson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cazenave and Co., Inc., as of June 30 2009, ______, 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:

NONE

State of Colorado
County of Adams
Subscribed and sworn (or affirmed) to before me this 10th day of August, 2009 by William Carson proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

William J. Carson
Signature

Financial Principal
Title

Notary Public
My Commission Expires 1/31/2012
5130 W. 120th Ave.
Westminster, CO 80020

REILLY GARCIA NOTARY PUBLIC STATE OF COLORADO

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.~~ 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.

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

# Cazenave & Company, Inc.

## Report Pursuant to Rule 17a-5 (d)

## Financial Statements

## For the Year Ended June 30, 2009

BREARD & ASSOCIATES, INC.
Certified Public Accountants

Independent Auditor's Report

Board of Directors
Cazenave & Company, Inc.:

We have audited the accompanying statement of financial condition of Cazenave & Company, Inc. (the Company) as of June 30, 2009, and the related statements of income, changes in stockholders' 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 Cazenave & Company, Inc. as of June 30, 2009, and the results of its income and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our auditwas conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III 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 under the Securities Exchange Act of 1934. 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.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Oakland, California
August 26, 2009

*We Focus & Care*[SM]

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**Cazenave & Company, Inc.**
**Statement of Financial Condition**
**June 30, 2009**

**Assets**

| | | |
|---|---|---|
| Cash | $ | 25,362 |
| Commissions receivable | | 234,375 |
| Property and equipment, net | | 5,792 |
| Other assets | | 525 |
| **Total assets** | $ | 266,054 |

**Liabilities and Stockholders' Equity**

**Liabilities**

| | | |
|---|---|---|
| Accounts payable and accrued expenses | $ | 2,848 |
| Commissions payable | | 210,938 |
| **Total liabilities** | | 213,786 |

**Stockholders' equity**

| | | |
|---|---|---|
| Common stock, no par value, 100 shares authorized, 100 shares issued and outstanding | | 6,500 |
| Additional paid-in capital | | 93,081 |
| Accumulated deficit | | (47,313) |
| **Total stockholders' equity** | | 52,268 |
| **Total liabilities and stockholders' equity** | $ | 266,054 |

*The accompanying notes are an integral part of these financial statements.*

**Cazenave & Company, Inc.**
**Statement of Income**
**For the Year Ended June 30, 2009**

| | | |
|---|---|---|
| **Revenues** | | |
| Commissions income | $ | 422,500 |
| Consulting income | | 91,500 |
| **Total revenues** | | 514,000 |
| **Expenses** | | |
| Employee compensation and benefits | | 7,509 |
| Commissions expense | | 455,328 |
| Communication | | 37,971 |
| Occupancy | | 3,846 |
| Other operating expenses | | 8,522 |
| **Total expenses** | | 513,176 |
| **Net income (loss) before income tax provision** | | 824 |
| **Income tax provision** | | 800 |
| **Net income (loss)** | $ | 24 |

*The accompanying notes are an integral part of these financial statements.*

**Cazenave & Company, Inc.**

**Statement of Changes in Stockholders' Equity**

**For the Year Ended June 30, 2009**

| | Common Stock | Additional Paid-in Capital | Accumulated Deficit | Total |
|---|---|---|---|---|
| **Balance at June 30, 2008** | $ 6,500 | $ 93,081 | $ (47,337) | $ 52,244 |
| Net income (loss) | - | - | 24 | 24 |
| **Balance at June 30, 2009** | $ 6,500 | $ 93,081 | $ (47,313) | $ 52,268 |

*The accompanying notes are an integral part of these financial statements.*

**Cazenave & Company, Inc.**
**Statement of Cash Flows**
**For the Year Ended June 30, 2009**

| | | |
|---|---|---|
| **Cash flow from operating activitie** | | |
| Net income (loss) | | $ 24 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation expense | $ 1,593 | |
| (Increase) decrease in assets: | | |
| Commissions receivable | (226,375) | |
| Other assets | 1,856 | |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | 1,978 | |
| Commissions payable | 210,938 | |
| Payroll tax payable | (1,966) | |
| Total adjustments | | (11,976) |
| **Net cash provided by (used in) operating activities** | | (11,952) |
| **Net cash provided by (used in) in investing activities** | | - |
| **Cash flow from financing activitie** | | |
| Proceeds from loan to officer | 10,702 | |
| **Net cash provided by (used in) financing activities** | | 10,702 |
| **Net increase (decrease) in cash** | | (1,250) |
| **Cash at beginning of year** | | 26,612 |
| **Cash at end of year** | | $ 25,362 |

**Supplemental disclosure of cash flow information:**

| | |
|---|---|
| Cash paid during the year for: | |
| Interest | $ - |
| Income taxes | $ 800 |

*The accompanying notes are an integral part of these financial statements.*

**Cazenave & Company, Inc.**
**Notes to Financial Statements**
**June 30, 2009**

## Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*General*

Cazenave & Company, Inc. (the "Company") was incorporated in the State of California on May 15, 1987. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer, which comprises several classes of services, including selling tax shelters and limited partnerships in primary distribution and private placement of securities.

The Company is exempt from the requirement of Rule 15c3-3(k)(2)(ii) under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation 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 the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Commissions receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial

The Company receives fees in accordance with terms stipulated in its engagement contracts. Fees are recognized as earned. The Company also receives success fees when transactions are completed. Success fees are recognized when earned, the Company has no further continuing obligations, and collection is reasonably assured.

At June 30, 2009, the Company has one major customer, which comprised 50% of the Company revenue for the year.

**Cazenave & Company, Inc.**
**Notes to Financial Statements**
**June 30, 2009**

## Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

The Company accounts for its income taxes using the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109, "Accounting for income taxes", which requires the establishment of a deferred tax asset or liability for the recognition of future deductible or taxable amounts and operating loss and tax credit carry forwards. Deferred tax expenses or benefits are recognized as a result of the changes in the assets and liabilities during the year.

Current income taxes are provided for estimated taxes payable or refundable based on tax returns filed on the cash basis of accounting. Deferred income taxes are recognized for the estimated future tax effects attributable to temporary differences in the basis of assets and liabilities for financial and tax reporting purposes. Measurement of current and deferred tax assets and liabilities is based on provisions of enacted federal and state tax laws.

## Note 2: PROPERTY AND EQUIPMENT, NET

Property and equipment are recorded net of accumulated depreciation and summarized by major classifications as follows:

| | | Useful Life |
|---|---|---|
| Property and equipment | $ 7,965 | 5 to 7 |
| | 7,965 | |
| Less: Accumulated Depreciation | (2,173) | |
| Property and equipment, net | $ 5,792 | |

Depreciation expense for the year ended June 30, 2009, was $1,593.

## Note 3: INCOME TAXES

The provision for income tax expense (benefit) is comprised of the following:

| | |
|---|---|
| Current income tax expense (benefit) | |
| Federal | $ - |
| State | 800 |
| Total current income tax expense (benefit) | 800 |
| Deferred income tax expense (benefit) | - |
| Total provision for income tax expense (benefit) | $ 800 |

The Company has available at June 30, 2009, unused federal net operating losses, which may be applied against future taxable income or carried back to offset previous taxable income, resulting in a deferred tax asset of approximately $9,221. The net operating loss begins to expire in the year 2029.

A 100% valuation allowance has been established against this benefit since management cannot determine if it is more likely than not that the asset will be realized.

## Note 4: CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

## Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS

For the year ending June 30, 2009, various accounting pronouncements or interpretations by the Financial Accounting Standards Board were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following Financial Interpretation ("FIN") and Statements of Financial Accounting Standards ("SFAS") for the year to determine relevance to the Company's operations:

## Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS (Continued)

| Statement No. | Title | Effective Date |
|---|---|---|
| FIN 48 | Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109 | After December 15, 2008 |
| SFAS 141(R) | Business Combinations | After December 15, 2008 |
| SFAS 157 | Fair Value Measurements | After December 15, 2007 |
| SFAS 160 | Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51 | After December 15, 2007 |
| SFAS 161 | Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133 | After December 15, 2008 |

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

## Note 6: NET CAPITAL REQUIREMENTS

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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on June 30, 2009, the Company had net capital of $22,514 which was $13,384 in excess of its required net capital of $9,130; and the Company's ratio of aggregate indebtedness ($123,385) to net capital was 5.48 to 1, which is less than the 15 to 1 maximum allowed.

**Cazenave & Company, Inc.**
**Notes to Financial Statements**
**June 30, 2009**

## Note 7: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There is a difference of $800 between the computation of net capital under net capital SEC. Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

| | | | | |
|---|---|---|---|---|
| Net capital per unaudited schedule | | | $ | 23,314 |
| Adjustments: | | | | |
| Accumulated deficit | $ | (6,251) | | |
| Non-allowable assets | | 5,451 | | |
| Total adjustments | | | | (800) |
| Net capital per audited statements | | | $ | 22,514 |

**Cazenave & Company, Inc.**
**Schedule I - Computation of Net Capital Requirements**
**Pursuant to Rule 15c3-1**
**As of June 30, 2009**

**Computation of net capital**

| | | | | |
|---|---|---|---|---|
| Common stock | $ | 6,500 | | |
| Additional paid-in capital | | 93,081 | | |
| Accumulated deficit | | (47,313) | | |
| Total stockholders' equity | | | $ | 52,268 |
| Less: Non-allowable assets | | | | |
| Property and equipment, net | | (5,792) | | |
| Commission receivable, in excess of payable | | (23,437) | | |
| Other assets | | (525) | | |
| Total non-allowable assets | | | | (29,754) |
| **Net capital** | | | | 22,514 |
| **Computation of net capital requirements** | | | | |
| Minimum net capital requirements | | | | |
| 6 2/3 of net aggregate indebtedness, plus one percent of portion of commissions payable due after current year | $ | 9,130 | | |
| Minimum dollar net capital required | $ | 5,000 | | |
| Net capital required (greater of above) | | | | (9,130) |
| **Excess net capital** | | | $ | 13,384 |
| Ratio of aggregate indebtedness to net capital | | 5.48 : 1 | | |

There was a difference of $800 between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated June 30, 2009. See Note 7.

*See independent auditor's report*

**Cazenave & Company, Inc.**
**Schedule II - Computation for Determining of Reserve Requirements Pursuant to Rule 15c3-3**
**As of June 30, 2009**

A computation of reserve requirements is not applicable to Cazenave & Company, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

**Cazenave & Company, Inc.**
**Schedule III - Information Relating to Possession or Control**
**Requirements Pursuant to Rule 15c3-3**
**As of June 30, 2009**

Information relating to possession or control requirements is not applicable to Cazenave & Company, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

**Cazenave & Company, Inc.**

**Supplementary Accountant's Report**

**on Internal Accounting Control**

**Report Pursuant to 17a-5**

**For the Year Ended June 30, 2009**

Board of Directors
Cazenave & Company, Inc.:

In planning and performing our audit of the financial statements of Cazenave & Company, Inc. (the Company), as of and for the year ended June 30, 2009, 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 (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 such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13

2. 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

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 judgements 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.



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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, as described in the second paragraph of this report, were adequate at June 30, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, 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.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Oakland, California
August 26, 2009