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

SEC FILE NUMBER
8- 67730

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 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Zwirn Financial Services, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
745 Fifth Ave. 18th Floor

(No. and Street)

New York NY 10151
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Lawrence Cutler 646-720-9393
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Holtz Rubenstein Reminick LLP

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

125 Bayliss Road Melville NY 11747
(Address) (City) (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 (06-02)

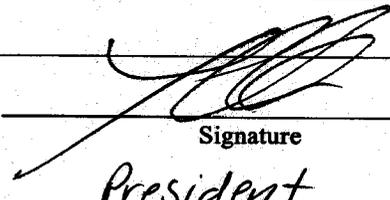
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*JD
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OATH OR AFFIRMATION

I, Lawrence Cutler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Zwirn Financial Services, LLC, as of February 11th, 20 09, 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:

ALICIA B BURSOR
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BU6159119
Qualified in Kings County
Commission Expires Jan. 16, 2011



Signature
President

Title

Alicia B. Bursor

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 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).

**ZWIRN FINANCIAL
SERVICES, LLC**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2008

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Year Ended December 31, 2008

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Financial Statements



Long Island: 125 Baylis Road, Melville, NY 11747-3823

Tel: 631.752.7400 Fax: 631.752.1742

www.hrrllp.com

New York City: 1430 Broadway, New York, NY 10018-3308

Tel: 212.697.6900 Fax: 212.490.1412

Independent Auditors' Report

Member
Zwirn Financial Services, LLC
New York, New York

We have audited the accompanying statement of financial condition of Zwirn Financial Services, LLC (the "Company") as of December 31, 2008 and the related statements of operations, 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 Zwirn Financial Services, LLC as of December 31, 2008 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying schedule 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, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Melville, New York
January 23, 2009

Statement of Financial Condition

December 31, 2008

Assets

Cash and Cash Equivalents	\$ 39,956
Prepaid Expenses	5,447
Total Assets	<u>\$ 45,403</u>

Liabilities and Member's Equity

Liabilities:

Accounts payable and accrued expenses	\$ 7,700
Due to affiliate	10,500
	<u>18,200</u>

Member's Equity	<u>27,203</u>
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Total Liabilities and Member's Equity	<u>\$ 45,403</u>
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ZWIRN FINANCIAL SERVICES, LLC

Statement of Operations and Changes in Member's Equity

Year Ended December 31, 2008

Expenses:	
Insurance	\$ 810
Legal and professional	28,458
Licensing and registration fees	2,529
Service fee	<u>36,000</u>
Net Loss	(67,797)
Member's Equity, beginning of year	50,000
Member Contribution	45,000
Member's Equity, end of year	<u>\$ 27,203</u>

Statement of Cash Flows

Year Ended December 31, 2008

Cash Flows from Operating Activities:	
Net loss	\$ (67,797)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Increase in assets:	
Prepaid expenses	(5,447)
Increase in liabilities:	
Accounts payable and accrued expenses	7,700
Due to affiliate	10,500
Net Cash Used in Operating Activities	<u>(55,044)</u>
Cash Flows from Financing Activities:	
Member contribution	45,000
Net Cash Provided by Financing Activities	<u>45,000</u>
Net Decrease in Cash and Cash Equivalents	(10,044)
Cash and Cash Equivalents, beginning of year	50,000
Cash and Cash Equivalents, end of year	<u>\$ 39,956</u>

Notes to Financial Statements

Year Ended December 31, 2008

1. Summary of Significant Accounting Policies

Nature of business - Zwirn Financial Services, LLC ("ZFS" or the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company is a Delaware limited liability company that is a wholly-owned subsidiary of ZFS Holding, LLC ("Parent").

The Company was incorporated on June 19, 2007, and became a member of the FINRA on April 10, 2008. To date, the Company has devoted its efforts primarily to various organizational activities, including obtaining its FINRA membership, and developing a business plan. Since inception, all of the Company's funding has been provided by D.B. Zwirn & Co., L.P. ("Affiliate"), an affiliated entity under common ownership. It is anticipated that additional funding will continue from this Affiliate in order for the Company to meet its intended obligations.

It is the intention of the Parent to attempt to sell the Company in 2009. ZFS is considering using the services of an agent that facilitates the purchase and sale of broker-dealers. The Company has also been introduced, through its outside counsel, to a potential buyer that may be interested in purchasing the Company. To date, there have been only preliminary discussions.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash equivalents - For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Income taxes - As a limited liability company, the Company is not subject to federal and New York State income taxes; the member is individually liable for income taxes, if any.

2. Concentration of Credit Risk

Financial instruments which potentially subject the Company to credit risk, consists principally of cash and cash equivalents. The Company places its cash investments with high credit quality financial institutions. At times, the Company's cash deposits with any one financial institution may exceed amount insured by the Federal Depository Insurance Corporation ("FDIC").

3. Related Party Transactions

The Company and its Affiliate share office space under an expense sharing agreement. Under the terms of the agreement, its Affiliate makes available to ZFS certain employees, office equipment and other goods and services, and charges ZFS for its allocated share of expenses. Amount due to Affiliate at December 31, 2008, amounted to \$10,500.

4. 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 8 to 1.

At December 31, 2008, the Company had net capital of \$21,756, which was \$16,756 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 0.84 to 1.

**Supplementary Information - Pursuant to Rule 17a-5
of the Securities Exchange Act of 1934**

Year Ended December 31, 2008

Schedule 1 - Computation of Net Capital Pursuant to Rule 15c3-1

Net Capital:

Total member's equity	\$ 27,203
Non-allowable assets	5,447
	<u>\$ 21,756</u>

Ratio: Aggregate Indebtedness to Net Capital (\$18,200/\$21,756)

0.84 to 1

Reconciliation with Computation included in Part II of Form X-17a-5
as of December 31, 2008

Variations between this computation of net capital under Paragraph F of Rule 15c3-1
and the Registrant's computation filed with Part II, Form X-17a-5 are not material
in amount. Accordingly, no reconciliation is deemed necessary.

Schedule 2 - Computation to Determination of Reserve Pursuant to Rule 15c3-3

Not Applicable

Supplementary Information

Independent Auditors' Report on Internal Accounting Control

Member
Zwirn Financial Services, LLC
New York, New York

In planning and performing our audit of the financial statements and supplemental schedule of Zwirn Financial Services, LLC (the "Company") as of, and for the year ended December 31, 2008, 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 Zwirn Financial Services, LLC 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 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 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 accordance 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 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 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 misstatement 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, 2008, to meet the SEC's objectives.

This report is intended solely for the use of the board of directors, management, the Securities and Exchange Commission, 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 should not be used for or by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Holtz Rubenstein Reminick LLP". The signature is written in a cursive, flowing style.

Melville, New York
January 23, 2009