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

SEC FILE NUMBER
8- 6644

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, 2008 AND ENDING December 31, 2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Weiss Investment Management Services, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1055 Franklin Avenue

(No. and Street)

Garden City

(City)

New York

(State)

11530

(Zip Code)

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

Arnold Barton

(516) 535-5735

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Demasco, Sena & Jahelka LLP

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

5788 Merrick Road

(Address)

Massapequa

(City)

New York

(State)

11758

(Zip Code)

SEC Mail Processing Section

CHECK ONE:

Certified Public Accountant

Public Accountant

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

FEB 24 2009

Washington, DC

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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)

TA  
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OATH OR AFFIRMATION

I, Arnold Barton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Weiss Investment Management Services, LLC, as of December 31, 2008, 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:

ROSEMARIE HUGEL  
Notary Public, State of New York  
No. 01HU6118477  
Qualified in Nassau County  
Commission Expires November 8, 2012

Arnold Barton  
Signature  
MANAGING PARTNER  
Title

Rosemarie Hugel  
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 Cash Flows
- (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 Auditor's Report on Internal Accounting Control required by SEC Rule 17A-5

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

WEISS INVESTMENT  
MANAGEMENT SERVICES, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2008

WEISS INVESTMENT MANAGEMENT SERVICES, LLC

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ANTHONY J. DEMASCO, CPA  
VINCENT R. SENA, CPA  
BOB C. JAHNELKA, CPA  
CHRISTOPHER SENA, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Weiss Investment Management Services, LLC  
1055 Franklin Avenue  
Garden City, New York 11530

We have audited the accompanying statements of financial condition of Weiss Investment Management Services, LLC as of December 31, 2008 and 2007, and the related statements of operations, changes in members' equity and cash flows for the years then ended. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 audits provide 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 Weiss Investment Management Services, LLC as of December 31, 2008 and 2007, and the results of its operations, changes in members' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 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 audits 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.

*Demasco SENA & Janelka LLP*

Massapequa, New York  
February 4, 2009

WEISS INVESTMENT MANAGEMENT SERVICES, LLC  
STATEMENTS OF FINANCIAL CONDITION

	December 31	
	2008	2007
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,742,548	\$ 1,132,795
Deposits with clearing organizations	221,696	218,571
Due from other broker-dealers and clearing organizations	349,123	643,380
Prepaid expenses	102,098	128,404
Total current assets	2,415,465	2,123,150
Furniture, equipment and leasehold improvements, at cost, less accumulated depreciation of \$608,491 in 2008 and \$485,966 in 2007	275,026	394,143
Other assets		
Security deposit	32,130	32,130
Total assets	\$ <u>2,722,621</u>	\$ <u>2,549,423</u>

**LIABILITIES AND MEMBERS' EQUITY**

Current liabilities		
Accounts payable and accrued expenses - Notes 3 and 6	\$ 261,551	\$ 697,507
Members' equity - Note 1	2,461,070	1,851,916
Total liabilities and members' equity	\$ <u>2,722,621</u>	\$ <u>2,549,423</u>

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

WEISS INVESTMENT MANAGEMENT SERVICES, LLC  
STATEMENTS OF OPERATIONS

	Year Ended	
	December 31	
	<u>2008</u>	<u>2007</u>
<b>Revenues</b>		
Commissions	\$ 4,028,255	\$ 4,535,012
Rent income	55,000	57,564
Interest and dividends	471,388	377,893
Other revenue	<u>-</u>	<u>35,021</u>
Total revenues	<u>4,554,643</u>	<u>5,005,490</u>
<b>Expenses</b>		
Employee compensation, benefits and payroll taxes	1,493,680	1,861,716
Floor brokerage, clearance and related fees and expenses	891,314	733,783
Occupancy costs	234,662	220,977
Professional fees	95,350	161,433
Market data, communications and other fees	764,736	794,556
Other operating expenses	<u>343,223</u>	<u>375,981</u>
Total expenses	<u>3,822,965</u>	<u>4,148,446</u>
Income before depreciation	731,678	857,044
Provision for depreciation	<u>122,524</u>	<u>123,536</u>
Net income	<u>\$ 609,154</u>	<u>\$ 733,508</u>

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

WEISS INVESTMENT MANAGEMENT SERVICES, LLC  
STATEMENTS OF CHANGES IN MEMBERS' EQUITY

	<u>Members'</u> <u>Equity</u>	<u>Accumulated</u> <u>Earnings</u> <u>(Deficit)</u>	<u>Total</u> <u>Members'</u> <u>Equity</u>
Balance, January 1, 2007	\$ 1,540,682	\$( 422,274)	\$ 1,118,408
Net income	<u>-</u>	<u>733,508</u>	<u>733,508</u>
Balance, December 31, 2007	1,540,682	311,234	1,851,916
Net income	<u>-</u>	<u>609,154</u>	<u>609,154</u>
Balance, December 31, 2008	\$ <u>1,540,682</u>	\$ <u>920,388</u>	\$ <u>2,461,070</u>

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

WEISS INVESTMENT MANAGEMENT SERVICES, LLC  
STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2008	2007
Cash flows provided by operating activities		
Net income	\$ 609,154	\$ 733,508
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	122,524	123,536
(Increase) decrease in deposits with clearing organizations	( 3,125)	1,691
Decrease(increase) in due from other broker-dealers and clearing organizations	294,257	( 110,269)
Decrease (increase) in prepaid expenses	26,306	( 18,623)
(Decrease) increase in accounts payable and accrued expenses	( 435,956)	137,060
Net cash provided by operating Activities	<u>613,160</u>	<u>866,903</u>
Cash flows used in investing activities		
Purchase of furniture and equipment	( 3,407)	( 12,526)
Net increase in cash	609,753	854,377
Cash, beginning of period	<u>1,132,795</u>	<u>278,418</u>
Cash, end of period	<u>\$ 1,742,548</u>	<u>\$ 1,132,795</u>

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

WEISS INVESTMENT MANAGEMENT SERVICES, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. Organization and Nature of Business

Weiss Investment Management Services, LLC (the Company) is a limited liability company formed in December 2003 under the laws of the State of New York and began operations in August 2004.

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA, formerly the National Association of Securities Dealers (NASD)). The Company is engaged in a single line of business as a securities broker-dealer, which includes various securities trading and brokerage activities.

Under a prior approved recapitalization, the Company created Class A (Class A) and Class B (Class B) membership interests. Income or losses of the Company attributed to affiliates or customers of GWA, LLC (GWA) is allocated to Class B. All other income or losses of the Company is allocated to Class A.

In accordance with the recapitalization, GWA became a 63% owner of Class A and a 100% owner of Class B. As consideration, GWA cancelled \$2,935,061 of existing loans made to WIMS Holding Company LLC (WIMS Holding), including accrued interest. WIMS Holding received the remaining 37% of Class A.

In December 2007, FINRA approved the Company's application for an ownership change under Rule 1017. In accordance therewith, effective July 1, 2008, GWA purchased the remaining 37% of Class A shares from WIMS Holding for \$875,000. As a result, the Company became wholly owned by GWA.

2. Summary of Significant Accounting Policies and Basis of Presentation

A. Reclassifications

Certain reclassifications have been made to prior year amounts to conform to current year classifications. The Company has reclassified \$8,273 in broker-dealer deposits from cash to deposits with clearing organizations.

B. Commissions and related expenses

The Company recognizes commission income and related expenses such as floor brokerage and clearance fees on a trade date basis.

C. Cash

The Company maintains its cash in bank deposit or brokerage accounts that, at times, may exceed insured limits. The Company has not experienced any losses in such accounts or instruments. The Company believes its cash is not exposed to any significant credit risk.

D. 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 amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results could differ from the estimates.

E. Liabilities subordinated to claims of general creditors

The SEC requires that broker-dealers disclose a statement of changes in liabilities subordinated to claims of general creditors for each year on which a report is issued unless no subordinated liabilities exist at any time during the years reported. During the years ended December 31, 2008 and 2007, there were no subordinated liabilities. Therefore, a statement of changes in liabilities subordinated to claims of general creditors has not been presented.

F. Income taxes

The Company is organized as a partnership for federal and state income tax purposes. As such, the members report their share of the Company's taxable earnings or losses on their respective federal and state income tax returns. Consequently, the accompanying financial statements of the Company do not include a provision for current or deferred income taxes.

G. Furniture, equipment and leasehold improvements

Fixed assets have been recorded at cost and are being depreciated over the estimated useful lives of the related assets as follows:

Computer software	3 years
Office equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Term of lease

3. Employee Benefit Plan

The Company participates in the defined contribution profit sharing plan of George Weiss Associates, Inc., an affiliate. The plan, pursuant to Section 401(k) of the Internal Revenue Code (the "Code"), covers substantially all eligible employees. An employee shall become a participant effective as of the first day of the plan year in which such employee meets certain eligibility requirements. Employees who have completed one month of service and have attained age 21 shall be eligible to participate as of the date such employee has satisfied such requirements.

Contributions are at the discretion of the Company, are not limited to years in which the Company has current or accumulated net profit, but cannot be in excess of the maximum allowed under the Code. The Company accrued profit sharing contributions of \$22,917 and \$178,454 at December 31, 2008 and 2007, respectively.

4. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1). In accordance with FINRA approval, the Company elects not to be subject to the Aggregate Indebtedness Standard of SEC Rule 15c3-1 (a)(1)(i). Therefore, the Company will not permit their net capital to be less than the greater of \$250,000 or 2% of aggregate debit items computed in accordance with the Formula for Determination of Reserve Requirement for Brokers and Dealers. The Company had net capital of \$1,989,316 and \$1,254,090 at December 31, 2008 and 2007, respectively, which was \$1,739,316 and \$1,004,090 in excess of its required net capital of 250,000, respectively.

5. Reserve Requirement

The Company does not hold funds or securities for, nor owe money or securities to customers. Therefore, the Company is exempt from the reserve requirements as defined by the SEC under Rule 15c3-3.

6. Related Party Transactions

The Company has an expense sharing agreement with Weiss Multi-Strategy LLC (WMS) and Weiss Special Operations, LLC (WSO) whereby, WMS and WSO pay certain expenses on the Company's behalf and the Company reimburses WMS and WSO on a monthly basis. As of December 31, 2008 and 2007, amounts due to related companies were \$16,024 and \$74,729, respectively.

7. Financial Instruments

In the normal course of business, the Company's activities involve the execution of various securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

8. Concentrations of Credit Risk

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

9. Commitments

The Company conducts its operations from a facility that is leased until July 2014. Rent expense totaled \$234,662 and \$220,977 for the years ended December 31, 2008 and 2007, respectively.

At December 31, 2008, future minimum lease payments are as follows:

Year ending December 31	
2009	\$ 217,537
2010	223,600
2011	229,845
2012	236,278
2013	242,904
Thereafter	<u>143,987</u>
	\$ <u>1,294,151</u>

WEISS INVESTMENT MANAGEMENT SERVICES, LLC  
COMPUTATION OF NET CAPITAL

Supplemental Schedule 1

	Year Ended December 31	
	2008	2007
Total members' equity from statements of financial condition (all allowable for net capital)	\$ <u>2,461,070</u>	\$ <u>1,851,916</u>
Deductions:		
Prepaid expenses	102,098	128,404
Security deposit	32,130	32,130
Net fixed assets	275,026	394,143
Excess broker's bond deductible	20,000	20,000
Other	8,063	3,959
	437,317	578,636
Net capital before haircuts on securities positions	2,023,753	1,273,280
Haircuts	34,437	19,190
Net capital, as defined	1,989,316	1,254,090
Minimum net capital requirement	250,000	250,000
Excess net capital	\$ <u>1,739,316</u>	\$ <u>1,004,090</u>
Aggregate indebtedness	\$ <u>261,551</u>	\$ <u>697,507</u>
Ratio: Aggregate indebtedness to net capital	<u>.1315 to 1</u>	<u>.5562 to 1</u>

The above computation of net capital was compared to the computation of net capital reported by the Company on the unaudited Focus Reports as of December 31, 2008 and December 31, 2007. There were no material differences in the computation of net capital of Weiss Investment Management Services, LLC.

See independent auditor's report.

WEISS INVESTMENT  
MANAGEMENT SERVICES, LLC

INDEPENDENT AUDITORS' REPORT ON  
INTERNAL ACCOUNTING CONTROL

DECEMBER 31, 2008



ANTHONY J. DEMASCO, CPA  
VINCENT R. SENA, CPA  
BOB C. JAEHLKA, CPA  
CHRISTOPHER SENA, CPA

Board of Directors  
Weiss Investment Management Services, LLC  
1055 Franklin Avenue  
Garden City, New York 11530

In planning and performing our audit of the financial statements of Weiss Investment Management Services, LLC (the Company) for the year ended December 31, 2008, we considered its internal control structure, 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.

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 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).

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, 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 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 accordance with accounting principles generally accepted in the United States. 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 structure and the practices and procedures referred to above, misstatement due to 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.



Our consideration of the internal control structure would not necessarily disclose all matters in the Company's 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 misstatements caused by 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 the Company's internal control structure 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 SEC, the Financial Industry Regulatory Authority (formerly the National Association of Securities Dealers, Inc.) and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Act of 1934 in their regulation of registered brokers and dealers, and should not be used by anyone other than these specified parties.

*Demasco Sena & Jabelka LLP*

Massapequa, New York  
February 4, 2009

**END**