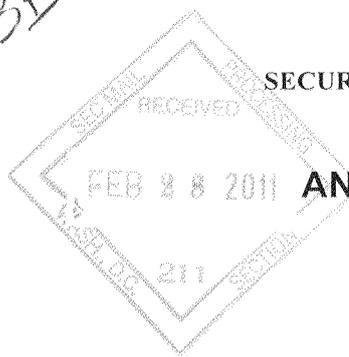


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



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

SEC FILE NUMBER  
8-67970

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 01/01/10 AND ENDING 12/31/10  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CORPORATE FINANCE RESOURCES, INC.  
(DBA CFR-INC.)

OFFICIAL USE ONLY  
FIRM I.D.NO.

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

18804 NE 106TH STREET

REDMOND WA 98052  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
JEFF ANTHONY (425) 869-6737  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

PETERSON SULLIVAN LLP

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

601 UNION ST, STE 2300 SEATTLE WA 98101  
(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 240.17 a-5(e)(2)

Potential persons who are to respond to the collection of  
Information contained in this form are not required to respond  
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SEC 1410 (06.02)

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OATH OR AFFIRMATION

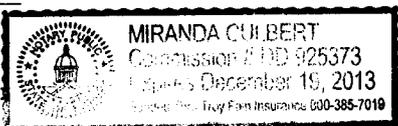
I, JEFF ANTHONY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CORPORATE FINANCE RESOURCES, INC. (DBA CFR-INC.) as of DECEMBER 31, 2010, are true and correct. I further swear (or affirm) that neither 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:

[Handwritten Signature]
Signature

[Handwritten Signature]

PRESIDENT, SOLE OWNER
Title

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. (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. (NOT APPLICABLE)
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. (NOT APPLICABLE)
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3. (NOT APPLICABLE)
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 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. (NOT APPLICABLE)
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report. (See separately bound report.)
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. (NOT APPLICABLE)

\* RESERVE REQUIREMENT IS NOT APPLICABLE

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

X (O) INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3.

**CORPORATE FINANCE RESOURCES, INC.**  
**(DBA CFR-INC.)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2010**

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**CORPORATE FINANCE RESOURCES, INC.  
(DBA CFR-INC.)**

SUPPLEMENTAL REPORT  
UNDER SUBPARAGRAPH(e)(4) OF RULE 17a-5  
OF THE SECURITIES EXCHANGE ACT OF 1934

DECEMBER 31, 2010



CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT  
RECONCILIATION**

To the Stockholder  
Corporate Finance Resources, Inc. (DBA CFR-Inc.)  
Redmond, Washington

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessments and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2010, which were agreed to by Corporate Finance Resources, Inc. (DBA CFR-Inc.) ("the Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, and other designated examining authorities, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. We compared the listed assessment payments in Form SIPC-7 with respective cash disbursement record entries, noting no differences.
2. We compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2010, noting no differences.
3. We noted no adjustments reported in Form SIPC-7.
4. We proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers (such as the Company's general ledger) supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Peterson Sullivan LLP*  
February 17, 2011

**CORPORATE FINANCE RESOURCES, INC.**  
**(DBA CFR-INC.)**

**SCHEDULE OF SIPC ASSESSMENTS AND PAYMENTS (FORM SIPC-7)**

**For the Year Ended December 31, 2010**

Total assessment for the year ended December 31, 2010	\$	207
Payments		
July 28, 2010		<u>150</u>
Amount due with Form SIPC-7	\$	<u><u>57</u></u>



CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

**INDEPENDENT AUDITORS' REPORT**

To the Stockholder  
Corporate Finance Resources, Inc. (DBA CFR-Inc.)  
Redmond, Washington

We have audited the accompanying statement of financial condition of Corporate Finance Resources, Inc. (DBA CFR-Inc.) as of December 31, 2010, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that are being filed 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. 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 Corporate Finance Resources, Inc. (DBA CFR-Inc.) as of December 31, 2010, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in Schedules I and II 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.

*Peterson Sullivan LLP*

February 17, 2011

**CORPORATE FINANCE RESOURCES, INC.  
(DBA CFR-INC.)**

STATEMENT OF FINANCIAL CONDITION  
December 31, 2010

ASSETS

Cash	\$ 38,704
Accounts Receivable	5,000
Prepaid Expenses	3,382
	<hr/>
	\$ 47,086
	<hr/> <hr/>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accounts payable	\$ 1,831
Due to stockholder	3,913
	<hr/>
	5,744
Stockholder's equity	
Common stock, no par value, 10,000 shares authorized; 1,000 shares issued and outstanding	1,000
Additional paid-in capital	33,000
Retained earnings	7,342
	<hr/>
	41,342
	<hr/>
	\$ 47,086
	<hr/> <hr/>

See Notes to Financial Statements

**CORPORATE FINANCE RESOURCES, INC.**  
**(DBA CFR-INC.)**

STATEMENT OF INCOME  
For the Year Ended December 31, 2010

Revenues		
Fee income	\$	82,959
Expenses		
Professional fees		29,900
Insurance		17,927
Communications and data processing		3,904
Regulatory fees		1,557
Other expenses		3,546
		<hr/>
		56,834
		<hr/>
<b>Net income</b>	<b>\$</b>	<b>26,125</b>

See Notes to Financial Statements

**CORPORATE FINANCE RESOURCES, INC.  
(DBA CFR-INC.)**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
For the Year Ended December 31, 2010**

	Common Stock Shares		Additional Paid-In Capital	Retained Earnings	Total Stockholder's Equity
	Shares Outstanding	Amount			
Balance, December 31, 2009	1,000	\$ 1,000	\$ 33,000	\$ 11,217	\$ 45,217
Net income				26,125	26,125
Distributions				(30,000)	(30,000)
Balance, December 31, 2010	1,000	\$ 1,000	\$ 33,000	\$ 7,342	\$ 41,342

See Notes to Financial Statements

**CORPORATE FINANCE RESOURCES, INC.**  
**(DBA CFR-INC.)**

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2010

Cash Flows from Operating Activities	
Net income	\$ 26,125
Adjustments to reconcile net income to net cash flows from operating activities	
Change in operating assets and liabilities	
Accounts receivable	11,804
Prepaid expenses	(2,275)
Accounts payable	1,831
Due to stockholder	1,697
	<hr/>
Net cash flows from operating activities	39,182
Cash Flows from Financing Activity	
Distributions to stockholder	<hr/> (30,000)
	<hr/>
<b>Increase in cash</b>	<b>9,182</b>
Cash, beginning of year	<hr/> 29,522
Cash, end of year	<hr/> <hr/> \$ 38,704

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies

#### Organization

Corporate Finance Resources, Inc. (DBA CFR-Inc.) ("CFR") is a corporation organized under the laws of the State of Washington on June 30, 2003. CFR's operations consist primarily of providing investment banking services and business development services.

On November 5, 2008, CFR became a broker dealer and as such is registered with the Securities and Exchange Commission ("SEC"). In addition, CFR is a member of the Financial Industry Regulatory Authority ("FINRA"). CFR's broker-dealer operations commenced on November 5, 2008.

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from the estimates that were used.

#### Cash

Cash includes cash in bank checking accounts. CFR occasionally has deposits in excess of federally insured limits.

#### Revenue Recognition

Revenue is generally recognized when services are provided and invoiced to CFR's customers in accordance with the terms of the agreements. Payments for services are generally negotiated or may be determined by CFR's customers. For the year ended December 31, 2010, all of CFR's revenues were from two customers.

#### Accounts Receivable

CFR uses the allowance method to recognize accounts receivable that may not be collectible. Management regularly reviews all accounts and determines which are past due (terms vary) and may not be collectible. Any amounts that are written off are charged against the allowance. There was no allowance for doubtful accounts as of December 31, 2010. As of December 31, 2010, the entire receivable balance was due from one customer.

## **Income Taxes**

CFR has elected S Corporation status for tax purposes and is not taxed at the company level. Instead, its items of income, loss, deduction, and credit are passed through its stockholder in computing his individual tax liability. CFR generally makes distributions to the stockholder to pay the liabilities arising from this election. CFR's federal tax returns are open to examination for the last three years.

## **Subsequent Events**

CFR has evaluated subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

## **Note 2. Related Party Transactions**

The stockholder occasionally pays for CFR's expenses for which he requests reimbursement. These expenses are reflected on the income statement of CFR. At December 31, 2010, CFR owed approximately \$4,000 to the stockholder for CFR's expenses.

CFR also uses facilities and equipment provided by the stockholder (without charge). Any charges that could be allocated to CFR are not material.

## **Note 3. Net Capital Requirements**

CFR is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). Accordingly, CFR is required to maintain a minimum level of net capital (as defined) of 6 2/3% of total aggregate indebtedness or \$5,000, whichever is greater. At December 31, 2010, the required minimum net capital was \$5,000. CFR had computed net capital of \$32,960 at December 31, 2010, which was in excess of the required net capital level by \$27,960. In addition, CFR is not allowed to have a ratio of aggregate indebtedness to net capital (as defined) in excess of 15 to 1. At December 31, 2010, CFR's ratio of aggregate indebtedness to net capital was 0.174 to 1.

S U P P L E M E N T A R Y   I N F O R M A T I O N

**CORPORATE FINANCE RESOURCES, INC.**  
**(DBA CFR-INC.)**

SCHEDULE I  
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1  
December 31, 2010

**COMPUTATION OF NET CAPITAL**

Stockholder's equity	\$ 41,342
Deductions	
Accounts receivable	5,000
Prepaid expenses	3,382
	<hr/>
Net capital, as computed	32,960
Minimum net capital	5,000
	<hr/>
Net capital excess	\$ 27,960
	<hr/> <hr/>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Accounts payable	\$ 1,831
Due to the stockholder	3,913
	<hr/>
Total aggregate indebtedness	\$ 5,744
	<hr/> <hr/>

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6 2/3% of total aggregate indebtedness or \$5,000, whichever is greater)	\$ 5,000
Percentage of aggregate indebtedness to net capital	17.4%
Ratio of aggregate indebtedness to net capital	0.174 to 1

CFR is exempt from the computation of reserve requirements pursuant to Rule 15c3-3 under paragraph K(2)(i).

**CORPORATE FINANCE RESOURCES, INC.  
(DBA CFR-INC.)**

**SCHEDULE II  
RECONCILIATION BETWEEN THE COMPUTATION OF NET CAPITAL PER  
THE BROKER'S UNAUDITED FOCUS REPORT, PART IIA, AND THE  
AUDITED COMPUTATION OF NET CAPITAL**

December 31, 2010

Net capital per the broker's unaudited Focus Report, Part IIA  
and per audited financial statements

\$ 32,960



CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED BY SEC RULE 17a-5(g)(1) FOR A BROKER-DEALER  
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

To the Stockholder  
Corporate Finance Resources, Inc. (DBA CFR-Inc.)  
Redmond, Washington

In planning and performing our audit of the financial statements of Corporate Finance Resources, Inc. (DBA CFR-Inc.) ("the Company"), as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States, 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, 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 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 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 misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

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 December 31, 2010, to meet the SEC's objectives.

This report is intended solely for the use of the stockholder, management, the SEC, the 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 specific parties.

*Peterson Sullivan LLP*

February 17, 2011