

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

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

SEC  
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**FACING PAGE**  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Washington DC  
102

REPORT FOR THE PERIOD BEGINNING 1/1/2012 AND ENDING 12/31/2012  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
Weiss Multi-Strategy Funds LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

320 Park Avenue

(No. and Street)

New York, NY 10022

(City)

(State)

(Zip Code)

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

Frederick E. Doucette III

860-240-8958

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Rothstein Kass

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

4 Becker Farm Rd.

Roseland

NJ

07068

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

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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).

SEC 1410 (06-02)

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3/4/13

OATH OR AFFIRMATION

I, Frederick E. Doucette III, 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 Multi-Strategy Funds LLC, as of December 31, 2012, 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:

Signature
President
Title

Patti L. Vaughn
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 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.
(o) Independent auditor's report on internal accounting control.
(p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

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

**WEISS MULTI-STRATEGY FUNDS LLC**  
STATEMENT OF FINANCIAL CONDITION  
AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2012

# **WEISS MULTI-STRATEGY FUNDS LLC**

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# Rothstein Kass

## INDEPENDENT AUDITORS' REPORT

To Weiss Multi-Strategy Funds LLC

We have audited the accompanying statement of financial condition of Weiss Multi-Strategy Funds LLC (the "Company") as of December 31, 2012 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of financial condition that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the statement of financial condition 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 statement of financial condition is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of financial condition, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the statement of financial condition in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the statement of financial condition referred to above present fairly, in all material respects, the financial position of Weiss Multi-Strategy Funds LLC as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of a Matter***

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1, although the Company has net income in the current year, it has incurred operating losses and negative operating cash flows over the past three years, which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. Our opinion is not modified with respect to this matter.



Roseland, New Jersey  
February 22, 2013

# WEISS MULTI-STRATEGY FUNDS LLC

## STATEMENT OF FINANCIAL CONDITION

December 31, 2012

### ASSETS

Cash	\$	623,415
Fees receivable		43,923
Property and equipment, net		38,346
Other assets		<u>50,224</u>
	\$	<u>755,908</u>

### LIABILITIES AND MEMBER'S EQUITY

#### Liabilities

Accounts payable and accrued expenses

216,326

#### Member's equity

539,582

\$ 755,908

# WEISS MULTI-STRATEGY FUNDS LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of business and summary of significant accounting policies

#### *Nature of Business*

Weiss Multi-Strategy Funds LLC (the "Company") is a limited liability company formed in December 2003 under the laws of the state of New York. The Company's operations consist of engaging in private placements of securities. 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").

#### *Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

These financial statements were approved by management and available for issuance on February 22, 2013. Subsequent events have been evaluated through this date.

#### *Going Concern*

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Although the Company has net income in the current year, it has incurred operating losses and negative operating cash flows over the past three years. During this time, management has shifted the focus of its core businesses and has relied on its parent, GWA, LLC, ("GWA"), to meet its cash flow requirements. The Company believes in its core business strategy and the actions presently being taken by management provide the opportunity for it to continue as a going concern. Nevertheless, without the ongoing financial support of GWA, substantial doubt would exist as to the Company's ability to continue as a going concern.

As of January 31, 2013, GWA has provided written assurance that it has the ability to, and will continue to provide financial support sufficient to enable the Company to meet its cash flow requirements through December 31, 2013.

These financial statements do not include any adjustments related to the recoverability and classification of asset amounts or the amounts and classification of liabilities that might be necessary if the Company was able to continue as a going concern.

# WEISS MULTI-STRATEGY FUNDS LLC

## NOTES TO FINANCIAL STATEMENT

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### 1. Nature of business and summary of significant accounting policies (continued)

#### *Revenue Recognition*

Revenue consisting primarily of placement agent fees with respect to customer investments having a subscription date prior to October 1, 2011, are recorded on an accrual basis.

#### *Property and Equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization. The Company provides for depreciation and amortization as follows:

<b>Asset</b>	<b>Estimated Useful Life</b>	<b>Principal Method</b>
Furniture and fixtures	7 years	Straight-line
Office and other equipment	5 years	Straight-line
Computer software	3 years	Straight-line
Leasehold improvements	lease term	Straight-line

#### *Income Taxes*

The Company is a limited liability company, and treated as a partnership for income tax reporting purposes. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the member for federal and state income tax purposes. Accordingly, the Company has not provided for federal or state income taxes.

At December 31, 2012, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require. The Company remains subject to U.S. federal and state income tax audits for all periods subsequent to 2009.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

# WEISS MULTI-STRATEGY FUNDS LLC

## NOTES TO FINANCIAL STATEMENT

### 2. Property and equipment

Details of property and equipment at December 31, 2012 are as follows:

Office equipment	\$	276,448
Leasehold improvements		280,862
Furniture and fixtures		252,600
Computer software		55,506
		<u>865,416</u>
Less accumulated depreciation and amortization		<u>827,070</u>
	\$	<u>38,346</u>

### 3. Net capital requirement

The Company, as a member of FINRA, is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2012, the Company's net capital was approximately \$395,000 which was approximately \$380,000 in excess of its minimum requirement of \$14,422.

### 4. Concentrations of credit risk

The Company maintains its cash balances in various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution.

### 5. Exemption from Rule 15c3-3

The Company is exempt from the Securities and Exchange Commission Rule 15c3-3 and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

### 6. Commitments and contingencies

The Company entered into an agreement with CKT Advisors LLC in October 2011 to share certain placement agent fees with respect to customer investments having a subscription date prior to October 1, 2011. The Company is obligated to pay CKT Advisors LLC forty percent (40%) of the Placement Fees received on those investments until September 2014.

# WEISS MULTI-STRATEGY FUNDS LLC

## NOTES TO FINANCIAL STATEMENT

### 6. Commitments and contingencies (continued)

The Company has a lease commitment on its Garden City, New York office space that expires in July 2014. In April 2010, concurrent with the Company's permanent relocation of its operations, the Company entered into a sublease agreement with regards to these premises that expires in July 2014. In connection therewith, the subtenant provided a letter of credit as a security deposit in the amount of \$135,718, to be returned upon fulfillment of the sublease terms and conditions at the expiration of the sublease agreement.

At December 31, 2011, the present value of the remaining net lease commitment was recorded as a disposal cost obligation in accrued expenses. Rent expense for Garden City currently consists of real estate and operating cost escalations totaling approximately \$28,000 for the year ended December 31, 2012.

The Company has entered into an expense sharing arrangement with GWA, LLC for space it utilizes in New York City. Rent expense for this premise totaled \$18,000 for the year ended December 31, 2012.

At December 31, 2012, future gross and net minimum lease payments are as follows:

<u>Year Ending December 31</u>	<u>Gross Lease Commitments</u>	<u>Sublease Rent</u>	<u>Net Lease Commitments</u>
2013	\$ 243,000	\$ 155,000	\$ 88,000
2014	\$ 144,000	\$ 99,000	\$ 45,000
	<u>\$ 387,000</u>	<u>\$ 254,000</u>	<u>\$ 133,000</u>

The Company's Parent is undergoing an Internal Revenue Service audit for the years 2009 and 2010. Management does not expect the outcome of the audit to have a material impact on the Company.

### 7. Related party transactions

The Company has an expense sharing agreement with certain of its affiliates that include Weiss Multi-Strategy Advisers LLC (WMS), Weiss Special Operations, LLC (WSO), George Weiss Associates, Inc. (GWA, Inc.) and GWA whereby said affiliates pay certain expenses on the Company's behalf that are reimbursed by the Company on a monthly basis. As of December 31, 2012, amounts due to related companies were approximately \$67,000 and is included in accounts payable and accrued expenses in the statement of financial condition.

### 8. Employee benefit plan

The Company maintains a retirement plan (the "Plan"), pursuant to Section 401(k) of the Internal Revenue Code, for eligible participants to make voluntary contributions of a portion of their annual compensation, on a deferred basis, subject to limitations provided by the Internal Revenue Code. During 2012, there were no active employees.