

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

ANNUAL REPORTS  
FORM X-17A-5  
PART III

SEC FILE NUMBER
8-37004

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/22 AND ENDING 12/31/22  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: CONSOLIDATED FINANCIAL INVESTMENTS, INC.

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

222 NORTH MERAMEC AVENUE

(No. and Street)

CLAYTON

(City)

MO

(State)

63105

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

ALAN STIFFELMAN

(Name)

314-727-1177

(Area Code - Telephone Number)

alan@consolidatedstl.com

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Cropper Accountancy Corporation

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

2700 Ygnacio Valley Rd, #270 Walnut Creek CA 94598

(Address)

(City)

(State)

(Zip Code)

03/04/2009

(Date of Registration with PCAOB)(if applicable)

3381

(PCAOB Registration Number, if applicable)

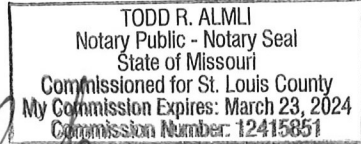
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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Alan Stiffelman, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of CONSOLIDATED FINANCIAL INVESTMENTS, INC., as of 12/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



[Handwritten signature of Todd R. Almlt]

Notary Public

Signature: [Handwritten signature]

Title: PRESIDENT

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
(b) Notes to consolidated statement of financial condition.
(c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**CONSOLIDATED FINANCIAL INVESTMENTS, INC.**  
**St. Louis, Missouri**

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**Report of Independent Registered Public Accounting Firm**

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Walnut Creek, CA 94598  
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[www.cropperaccountancy.com](http://www.cropperaccountancy.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders  
of Consolidated Financial Investments, Inc.

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Consolidated Financial Investments, Inc. as of December 31, 2022, the related statements of operations, changes in stockholders' equity, changes in subordinated debt, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Consolidated Financial Investments, Inc. as of December 31, 2022, 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.

### Basis for Opinion

These financial statements are the responsibility of Consolidated Financial Investments, Inc.'s management. Our responsibility is to express an opinion on Consolidated Financial Investments, Inc.'s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Consolidated Financial Investments, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Auditor's Report on Supplemental Information

The supplemental information contained in Schedule 1 – Computation of Net Capital, Aggregate Indebtedness, and Ratio of Aggregate Indebtedness to Net Capital Under Rule 15c3-1 and Schedule 2 – Computation for Determination of the Reserve Requirements Under to Rule 15c3-3 of the Securities and Exchange Commission, and Schedule 3 – Information for Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission has been subjected to audit procedures performed in conjunction with the audit of Consolidated Financial Investments, Inc.'s financial statements. The supplemental information is the responsibility of Consolidated Financial Investment, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

CROPPER ACCOUNTANCY CORPORATION

We have served as Consolidated Financial Investment Inc.'s auditor since 2021.

Walnut Creek, California

February 14, 2023

# CONSOLIDATED FINANCIAL INVESTMENTS, INC.

## Statement of Financial Condition

December 31, 2022

### ASSETS

Cash and cash equivalents	\$ (6,364)
Deposits with clearing organizations	50,000
Receivable from clearing broker	11,450
Investments in equity securities, at estimated fair value	55,215
Furniture and equipment, net of accumulated depreciation of \$90,398	2,909
Other assets	<u>6,479</u>
	\$ <u>119,689</u>

### LIABILITIES AND STOCKHOLDERS' EQUITY

#### Liabilities:

Accounts payable and accrued expenses	14,261
Securities sold not yet purchased	21,960
Subordinated borrowings	<u>130,000</u>
	<u>166,221</u>

#### Stockholders' equity:

Capital stock, no par value; 30,000 shares authorized; 1,250 shares issued and outstanding	21,000
Additional paid-in capital	133,280
Accumulated deficit	<u>(200,812)</u>
Total stockholders' equity	<u>(46,532)</u>
	\$ <u>119,689</u>

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

# CONSOLIDATED FINANCIAL INVESTMENTS, INC.

Notes to Statement of Financial Condition

December 31, 2022

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Consolidated Financial Investments, Inc. (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), the Municipal Securities Rulemaking Board (MSRB), and the Securities Investor Protection Corporation (SIPC).

The Company has an agreement (the Agreement) with a clearing broker (the Broker) to clear securities transactions, carry customers' accounts on a fully disclosed basis, and perform certain recordkeeping functions. Accordingly, the Company operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(ii).

The accounting and reporting policies of the Company conform to generally accepted accounting principles within the broker-dealer industry. Following is a description of the more significant of the Company's accounting practices.

### **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 and disclosure of contingent 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 those estimates.

### **Revenue Recognition**

Securities transactions and related revenues and expenses are recorded on a settlement date basis, which does not differ materially from a trade date basis.

### **Furniture and Equipment**

Furniture and equipment are carried at cost. Depreciation is computed on both straight-line and accelerated methods for financial reporting purposes over three to five years. Depreciation on expense of \$4,987 was charged to operations for the year ended December 31, 2022.

### **Income Taxes**

The Company has elected to be taxed as a Subchapter "S" Corporation. As a Subchapter "S" Corporation, the Company does not pay federal or state corporate income taxes on its income; instead, the stockholders are liable for individual income taxes on the Company's taxable income. Therefore, no provision for federal or state income taxes is included in these financial statements.

### **Cash and Cash Equivalents**

The Company considers investments with an original maturity of three months or less to be cash equivalents.

# CONSOLIDATED FINANCIAL INVESTMENTS, INC.

## Notes to Statement of Financial Condition

(continued)

### **Fair Value Measurements**

The Company uses fair value measurements to make fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods, including market, income, and cost approaches. Based on these approaches, the Company uses certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. Financial assets and liabilities carried and/or reported at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or value assigned to such assets or liabilities.

The assets of the Company that are carried at fair value on a recurring basis at December 31, 2022 are the cash & cash equivalents, accounts receivable, trading account investments, and accounts payable.

### **Subsequent Events**

The Company has considered all events occurring subsequent to December 31, 2022 for possible disclosures through the date of the Report of Independent Register Public Accounting Firm, the date these financial statements were available to be issued.

## CONSOLIDATED FINANCIAL INVESTMENTS, INC.

### Notes to Statement of Financial Condition

(continued)

#### NOTE 2 – CLEARING ARRANGEMENT

The Agreement provides the Broker with liens upon all of the Company's property held by the Broker, including, but not limited to, securities, deposits, monies, and receivables. These liens secure the Company's liabilities and obligations to the Broker. Pursuant to the Agreement, the Company maintains with the Broker, as collateral against losses due to nonperformance by its customers, a minimum deposit of \$50,000.

#### NOTE 3 – TRADING ACCOUNT INVESTMENTS IN EQUITY SECURITIES

Investment securities owned by the Company at December 31, 2022 consisted of 500 shares of NASDAQ Stock Market, Inc. common stock, which are carried at estimated fair value based on current market quotations.

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Investments in equity securities	55,215	55,215	-	-
Securities sold not yet purchased	(21,960)	(21,960)	-	-
Investments at Fair Value	33,255	33,255	-	-

For the year ended December 31, 2022 there were no transfers between levels of investments on the fair value hierarchy.

#### NOTE 4 – NOTE PAYABLE AND SUBORDINATED BORROWINGS

As of December 31, 2021 the Company has subordinated debt agreements with three of its stockholders. On October 31, 2012 in the amount of \$80,000 and on October 28, 2021 in the amount of \$50,000 or \$130,000. The subordinated debt agreements bear interest at the rate of 10%, payable quarterly through the scheduled maturity dates. The subordinated debt agreement was approved by FINRA as "Good Capital" and can be added back to net worth and Net Capital, in accordance with SEC Rule 15c3-1 Appendix D.

#### NOTE 5 – 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. At December 31, 2022, the Company had net capital of \$74,081, which was \$69,081 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was .19 to 1.

## **CONSOLIDATED FINANCIAL INVESTMENTS, INC.**

### Notes to Statement of Financial Condition

(continued)

#### **NOTE 6 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK**

In the normal course of business, the Company executes, as agent, transactions on behalf of customers through a clearing broker. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be obligated to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the security is different from the contract amount of the transactions. The Company did not experience any material losses of this nature during the year ended December 31, 2022.

The Company does not anticipate nonperformance by the customers' counterparties in the normal course of business. The Company's policy is to monitor its market exposure and counterparty risk. In addition, the Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

#### **NOTE 7 – LEASE COMMITMENTS**

The Company has not entered into a lease agreement. Rent expense was \$33,840 for the year ended December 31, 2022.

#### **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

Management has determined there are no material commitments or contingencies which are required to be reported at year end.

#### **NOTE 9 – RELATED PARTIES**

The company shares office space with a second company owned by the President, Alan Stiffelman. He and the Vice President, Carl Bardenheier, periodically share revenues with Consolidated Financial Investments. During 2022 these revenues totaled \$56,645 and are recognized as Other Revenue on the Statement of Operations.

#### **NOTE 10 – ONGOING CONCERN**

For the Fiscal Year ended December 31, 2022, the Company had a net loss of (\$27,609) and Stockholders' equity (46,531). The Company's cash balance is less than annual expenses. The Managing Member is watching the company's trends and needs and is committed to fund the company as needed.