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ANNUAL AUDITED REPORT

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|                 |
|-----------------|
| SEC FILE NUMBER |
| 8- 65374        |

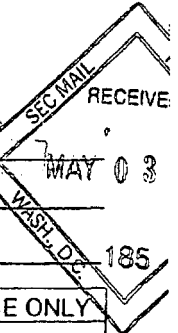
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Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/04 AND ENDING 12/31/04

MM/DD/YY

MM/DD/YY



A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GEB Financial Services Group, LLC

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

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

601 Cleveland Street, Suite 300

(No. and Street)

Clearwater

(City)

FL

(State)

33755

(Zip Code)

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

G. Edward Best

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Tait, Weller & Baker

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

1818 Market Street, Suite 2400

(Address)

Philadelphia

(City)

JUN 15 2005

19103

(Zip Code)

CHECK ONE:

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

PROCESSED JUN 15 2005 THOMSON FINANCIAL

|                       |
|-----------------------|
| 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)

Handwritten initials and date 6/14

Potential 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.

SEC 1410 (06-02)

Handwritten initials and date 6/17

OATH OR AFFIRMATION

I, G. Edward Best, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GEB Financial Services Group, LLC, as of December 31, 2004, 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

\_\_\_\_\_  
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 15c3-3 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.
- (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).

**TAIT, WELLER & BAKER**  
*Certified Public Accountants*

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**Members**

**GEB Financial Services Group, LLC**  
**Clearwater, Florida**

We have audited the accompanying statement of financial condition of GEB Financial Services Group, LLC as of December 31, 2004, and the related statements of income (loss), changes in ownership equity, and cash flows for the year 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 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 GEB Financial Services Group, LLC as of December 31, 2004, 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.

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our audit was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Pages 3, 4, 6 and 7 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, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Tait, Weller & Baker*

**Philadelphia, Pennsylvania**  
**April 29, 2005**

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **GEB Financial Services Group**

N3

100

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/04 99  
 SEC FILE NO. 8-65374 98  
 Consolidated    198  
 Unconsolidated  199

|  | Allowable  | Non-Allowable   | Total   |
|--|--|---|---|
| 1. Cash .....  | \$ 154 <span style="border: 1px solid black; padding: 2px;">200</span> |   | \$ 154 <span style="border: 1px solid black; padding: 2px;">750</span>    |
| 2. Receivables from brokers or dealers:  |  |   |   |
| A. Clearance account .....   | 237 <span style="border: 1px solid black; padding: 2px;">295</span>    |   |   |
| B. Other .....   | <span style="border: 1px solid black; padding: 2px;">300</span>        | 550 <span style="border: 1px solid black; padding: 2px;">  </span>        | 237 <span style="border: 1px solid black; padding: 2px;">810</span>       |
| 3. Receivable from non-customers .....   | <span style="border: 1px solid black; padding: 2px;">355</span>        | 1,250 <span style="border: 1px solid black; padding: 2px;">600</span>     | 1,250 <span style="border: 1px solid black; padding: 2px;">830</span>     |
| 4. Securities and spot commodities owned at market value:  |  |   |   |
| A. Exempted securities .....   | <span style="border: 1px solid black; padding: 2px;">418</span>        |   |   |
| B. Debt securities .....   | <span style="border: 1px solid black; padding: 2px;">419</span>        |   |   |
| C. Options .....   | <span style="border: 1px solid black; padding: 2px;">420</span>        |   |   |
| D. Other securities .....  | <span style="border: 1px solid black; padding: 2px;">424</span>        |   |   |
| E. Spot commodities .....  | <span style="border: 1px solid black; padding: 2px;">430</span>        |   | 850 <span style="border: 1px solid black; padding: 2px;">  </span>        |
| 5. Securities and/or other investments not readily marketable:   |  |   |   |
| A. At cost \$ <span style="border: 1px solid black; padding: 2px;">130</span>  |  |   |   |
| B. At estimated fair value .....   | <span style="border: 1px solid black; padding: 2px;">440</span>        | 610 <span style="border: 1px solid black; padding: 2px;">  </span>        | 860 <span style="border: 1px solid black; padding: 2px;">  </span>        |
| 6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:                             |  |   |   |
| A. Exempted securities \$ <span style="border: 1px solid black; padding: 2px;">150</span>  |  |   |   |
| B. Other securities \$ <span style="border: 1px solid black; padding: 2px;">160</span>   |  |   |   |
| 7. Secured demand notes:   | <span style="border: 1px solid black; padding: 2px;">470</span>        | 640 <span style="border: 1px solid black; padding: 2px;">  </span>        | 890 <span style="border: 1px solid black; padding: 2px;">  </span>        |
| Market value of collateral:  |  |   |   |
| A. Exempted securities \$ <span style="border: 1px solid black; padding: 2px;">170</span>  |  |   |   |
| B. Other securities \$ <span style="border: 1px solid black; padding: 2px;">180</span>   |  |   |   |
| 8. Memberships in exchanges:   |  |   |   |
| A. Owned, at market \$ <span style="border: 1px solid black; padding: 2px;">190</span>   |  |   |   |
| B. Owned, at cost .....  |  | 650 <span style="border: 1px solid black; padding: 2px;">  </span>        |   |
| C. Contributed for use of the company, at market value .....   |  | 660 <span style="border: 1px solid black; padding: 2px;">  </span>        | 900 <span style="border: 1px solid black; padding: 2px;">  </span>        |
| 9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....   | <span style="border: 1px solid black; padding: 2px;">480</span>        | 670 <span style="border: 1px solid black; padding: 2px;">  </span>        | 910 <span style="border: 1px solid black; padding: 2px;">  </span>        |
| 10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization ..... | <span style="border: 1px solid black; padding: 2px;">490</span>        | 23,036 <span style="border: 1px solid black; padding: 2px;">680</span>    | 23,036 <span style="border: 1px solid black; padding: 2px;">920</span>    |
| 11. Other assets .....   | <span style="border: 1px solid black; padding: 2px;">535</span>        | 4,023 <span style="border: 1px solid black; padding: 2px;">735</span>     | 4,023 <span style="border: 1px solid black; padding: 2px;">930</span>     |
| 12. TOTAL ASSETS .....   | \$ 391 <span style="border: 1px solid black; padding: 2px;">540</span> | \$ 28,309 <span style="border: 1px solid black; padding: 2px;">740</span> | \$ 28,700 <span style="border: 1px solid black; padding: 2px;">940</span> |

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **GEB Financial Services Group**

as of 12/31/04

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

| Liabilities  | A.I.<br>Liabilities | Non-A.I.<br>Liabilities | Total              |
|--|---------------------|-------------------------|--------------------|
| 13. Bank loans payable .....   | \$ 1045             | \$ 1255 <sup>13</sup>   | \$ 1470            |
| 14. Payable to brokers or dealers:   |                     |                         |                    |
| A. Clearance account .....   | 2,450               | 1315                    | 2,450              |
| B. Other .....   | 1114                | 1305                    | 1540               |
| 15. Payable to non-customers .....   | 1155 <sup>10</sup>  | 1355                    | 1610               |
| 16. Securities sold not yet purchased,<br>at market value .....                  |                     | 1360                    | 1620               |
| 17. Accounts payable, accrued liabilities,<br>expenses and other .....           | 50,218              | 1205                    | 50,218             |
| 18. Notes and mortgages payable:   |                     |                         |                    |
| A. Unsecured .....   | 1210                |                         | 1690               |
| B. Secured .....   | 1211 <sup>12</sup>  | 1390 <sup>14</sup>      | 1700               |
| 19. E. Liabilities subordinated to claims<br>of general creditors:               |                     |                         |                    |
| A. Cash borrowings:  |                     |                         |                    |
| 1. from outsiders <sup>9</sup> \$ .....  | 970                 |                         |                    |
| 2. includes equity subordination (15c3-1(d))<br>of ... \$ .....                  | 980                 |                         |                    |
| B. Securities borrowings, at market value<br>from outsiders \$ .....             | 990                 |                         |                    |
| C. Pursuant to secured demand note<br>collateral agreements .....                |                     |                         |                    |
| 1. from outsiders \$ .....   | 1000                |                         |                    |
| 2. includes equity subordination (15c3-1(d))<br>of ... \$ .....                  | 1010                |                         |                    |
| D. Exchange memberships contributed for<br>use of company, at market value ..... |                     | 1430                    | 1740               |
| E. Accounts and other borrowings not<br>qualified for net capital purposes ..... | 1220                | 1440                    | 1750               |
| 20. TOTAL LIABILITIES .....  | \$ 52,668           | \$ 1450                 | \$ 52,668          |
| <b>Ownership Equity</b>  |                     |                         |                    |
| 21. Sole Proprietorship .....  |                     |                         | 1770 <sup>15</sup> |
| 22. Partnership (limited partners) .....   | 1020 <sup>11</sup>  |                         | 1780               |
| 23. Corporation:   |                     |                         |                    |
| A. Preferred stock .....   |                     |                         | 1791               |
| B. Common stock .....  |                     |                         | 1792               |
| C. Additional paid-in capital .....  |                     |                         | 530,778            |
| D. Retained earnings .....   |                     |                         | (554,746)          |
| E. Total .....   |                     |                         | (23,968)           |
| F. Less capital stock in treasury .....  |                     |                         | 1796 <sup>16</sup> |
| 24. TOTAL OWNERSHIP EQUITY .....   |                     |                         | \$ (23,968)        |
| 25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....                                 |                     |                         | \$ 28,700          |

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **GEB Financial Services Group**

as of 12/31/04

### COMPUTATION OF NET CAPITAL

|  |    |            |               |
|--|----|------------|---------------|
| 1. Total ownership equity from Statement of Financial Condition .....                                    | \$ | (23,968)   | 3480          |
| 2. Deduct ownership equity not allowable for Net Capital .....   | 19 | ( )        | 3490          |
| 3. Total ownership equity qualified for Net Capital .....  |    | (23,968)   | 3500          |
| 4. Add:  |    |            |               |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital ..... |    |            | 3520          |
| B. Other (deductions) or allowable credits (List) .....  |    |            | 3525          |
| 5. Total capital and allowable subordinated liabilities .....  | \$ | (23,968)   | 3530          |
| 6. Deductions and/or charges:  |    |            |               |
| A. Total non-allowable assets from   |    |            |               |
| Statement of Financial Condition (Notes B and C) .....   | 17 | \$ 28,309  | 3540          |
| B. Secured demand note delinquency .....   |    |            | 3590          |
| C. Commodity futures contracts and spot commodities -<br>proprietary capital charges .....               |    |            | 3600          |
| D. Other deductions and/or charges .....   |    |            | 3610          |
| 7. Other additions and/or allowable credits (List) .....   |    | ( 28,309 ) | 3620          |
| 8. Net capital before haircuts on securities positions .....   | 20 | \$         | (52,277) 3640 |
| 9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):                           |    |            |               |
| A. Contractual securities commitments .....  | \$ |            | 3660          |
| B. Subordinated securities borrowings .....  |    |            | 3670          |
| C. Trading and investment securities:  |    |            |               |
| 1. Exempted securities .....   | 18 |            | 3735          |
| 2. Debt securities .....   |    |            | 3733          |
| 3. Options .....   |    |            | 3730          |
| 4. Other securities .....  |    |            | 3734          |
| D. Undue Concentration .....   |    |            | 3650          |
| E. Other (List) .....  |    |            | 3736          |
|  |    |            | ( ) 3740      |
| 10. Net Capital .....  | \$ | (52,277)   | 3750          |

OMIT PENNIES

The audited net capital at December 31, 2004 is the same as the unaudited net capital as previously reported.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **GEB Financial Services Group**

as of 12/31/04

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

|   |    |          |      |
|---|----|----------|------|
| 11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....   | \$ | 3,511    | 3756 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) ..... | \$ | 5,000    | 3758 |
| 13. Net capital requirement (greater of line 11 or 12) .....  | \$ | 5,000    | 3760 |
| 14. Excess net capital (line 10 less 13) .....  | \$ | (57,277) | 3770 |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19) .....   | \$ | (57,544) | 3780 |

### COMPUTATION OF AGGREGATE INDEBTEDNESS

|  |    |        |      |
|--|----|--------|------|
| 16. Total A.I. liabilities from Statement of Financial Condition .....                         | \$ | 52,668 | 3790 |
| 17. Add:   |    |        |      |
| A. Drafts for immediate credit .....   | \$ | 3800   |      |
| B. Market value of securities borrowed for which no equivalent value is paid or credited ..... | \$ | 3810   |      |
| C. Other unrecorded amounts (List) .....   | \$ | 3820   | 3830 |
| 18. Total aggregate indebtedness .....   | \$ | 52,668 | 3840 |
| 19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....           | %  | (101)  | 3850 |
| 20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....   | %  |        | 3860 |

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

|  |    |  |      |
|--|----|--|------|
| 21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits ..... | \$ |  | 3970 |
| 22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....  | \$ |  | 3880 |
| 23. Net capital requirement (greater of line 21 or 22) .....   | \$ |  | 3760 |
| 24. Excess capital (line 10 less 23) .....   | \$ |  | 3910 |
| 25. Net capital in excess of the greater of:   |    |  |      |
| A. 5% of combined aggregate debit items or \$120,000 .....   | \$ |  | 3920 |

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **GEB Financial Services Group**

For the period (MMDDYY) from 01/01/04 to 12/31/04 3933  
 Number of months included in this statement 12 3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

|   |    |        |      |
|---|----|--------|------|
| 1. Commissions:   |    |        |      |
| a. Commissions on transactions in exchange listed equity securities executed on an exchange ..... | \$ | 207    | 3935 |
| b. Commissions on listed option transactions .....  | %  |        | 3938 |
| c. All other securities commissions .....   |    | 649    | 3939 |
| d. Total securities commissions .....   |    | 856    | 3940 |
| 2. Gains or losses on firm securities trading accounts  |    |        |      |
| a. From market making in options on a national securities exchange .....                          |    |        | 3945 |
| b. From all other trading .....   |    |        | 3949 |
| c. Total gain (loss) .....  |    |        | 3950 |
| 3. Gains or losses on firm securities investment accounts .....                                   |    |        | 3952 |
| 4. Profit (loss) from underwriting and selling groups .....                                       | %  |        | 3955 |
| 5. Revenue from sale of investment company shares .....   |    | 1,805  | 3970 |
| 6. Commodities revenue .....  |    |        | 3990 |
| 7. Fees for account supervision, investment advisory and administrative services .....            |    |        | 3975 |
| 8. Other revenue .....  |    | 31,046 | 3995 |
| 9. Total revenue .....  | \$ | 33,707 | 4030 |

#### EXPENSES

|  |    |         |      |
|--|----|---------|------|
| 10. Salaries and other employment costs for general partners and voting stockholder officers ..... |    |         | 4120 |
| 11. Other employee compensation and benefits .....   |    | 23,890  | 4115 |
| 12. Commissions paid to other broker-dealers .....   |    | 14,443  | 4140 |
| 13. Interest expense .....   |    |         | 4075 |
| a. Includes interest on accounts subject to subordination agreements .....                         |    | 4070    |      |
| 14. Regulatory fees and expenses .....   |    | 2,951   | 4195 |
| 15. Other expenses .....   |    | 229,864 | 4100 |
| 16. Total expenses .....   | \$ | 271,148 | 4200 |

#### NET INCOME

|   |    |           |      |
|---|----|-----------|------|
| 17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) ..... | \$ | (237,441) | 4210 |
| 18. Provision for Federal income taxes (for parent only) .....                            | %  |           | 4220 |
| 19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....   |    |           | 4222 |
| a. After Federal income taxes of .....  |    | 4338      |      |
| 20. Extraordinary gains (losses) .....  |    |           | 4224 |
| a. After Federal income taxes of .....  |    | 4239      |      |
| 21. Cumulative effect of changes in accounting principles .....                           |    |           | 4225 |
| 22. Net income (loss) after Federal income taxes and extraordinary items .....            | \$ | (237,441) | 4230 |

#### MONTHLY INCOME

|   |    |  |      |
|---|----|--|------|
| 23. Income (current month only) before provision for Federal income taxes and extraordinary items ..... | \$ |  | 4211 |
|---|----|--|------|



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER **GEB Financial Services Group**

For the period (MMDDYY) from 01/01/04 to 12/31/04

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

|   |    |           |      |
|---|----|-----------|------|
| 1. Balance, beginning of period .....                   | \$ | 46,695    | 4240 |
| A. Net income (loss) .....                              |    | (237,441) | 4250 |
| B. Additions (includes non-conforming capital of .....  | \$ | 4262      | 4260 |
| C. Deductions (includes non-conforming capital of ..... | \$ | 4272      | 4270 |
|   |    | 166,778   | 4260 |
| 2. Balance, end of period (From item 1800) .....        | \$ | (23,968)  | 4290 |

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

|  |    |      |      |
|--|----|------|------|
| 3. Balance, beginning of period .....            | \$ | 4300 | 4300 |
| A. Increases .....                               |    | 4310 | 4310 |
| B. Decreases .....                               |    | 4320 | 4320 |
| 4. Balance, end of period (From item 3520) ..... | \$ | 4330 | 4330 |

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **GEB Financial Services Group**

as of 12/31/04

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |      |      |
|--|------|------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 ..... ( <u>\$5,000 category</u> ) .....            | X    | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....                   |      | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. |      |      |
| Name of clearing firm <sup>30</sup> .....  | 4335 | 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....                             |      | 4580 |

**Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.**

| Type of Proposed<br>Withdrawal or<br>Accrual<br>(See below<br>for code ) | Name of Lender or Contributor | Insider or<br>Outsider?<br>(In or Out) | Amount to be<br>Withdrawn (cash<br>amount and/or Net<br>Capital Value of<br>Securities) | (MMDDYY)<br>Withdrawal or<br>Maturity<br>Date | Expect<br>to<br>Renew<br>(Yes or No) |      |
|--|-------------------------------|--|---|---|--------------------------------------|------|
| 31   | 4600                          | 4601                                   | 4602  | 4603  | 4604                                 | 4605 |
| 32   | 4610                          | 4611                                   | 4612  | 4613  | 4614                                 | 4615 |
| 33   | 4620                          | 4621                                   | 4622  | 4623  | 4624                                 | 4625 |
| 34   | 4630                          | 4631                                   | 4632  | 4633  | 4634                                 | 4635 |
| 35   | 4640                          | 4641                                   | 4642  | 4643  | 4644                                 | 4645 |
| Total \$ <sup>35</sup>   |                               |  |   | 4699  |                                      |      |

OMIT PENNIES

**Instructions:** Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

|                         |                          |
|-------------------------|--------------------------|
| <b>WITHDRAWAL CODE:</b> | <b>DESCRIPTIONS</b>      |
| 1.                      | Equity Capital           |
| 2.                      | Subordinated Liabilities |
| 3.                      | Accruals                 |

# GEB FINANCIAL SERVICES GROUP, LLC

## STATEMENT OF CASH FLOWS

Year ended December 31, 2004

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### INCREASE (DECREASE) IN CASH

#### *Cash flows from operating activities*

Net income (loss) \$(237,441)

#### Adjustments to reconcile net income to net cash provided by operating activities

##### Changes in assets and liabilities:

Receivables 19,527

Accounts payable 29,135

Net cash used by operating activities (188,779)

#### *Cash flows from investing activities*

Purchase of equipment - net (2,082)

#### *Cash flows from financing activities*

Capital contributed 166,778

Net decrease in cash (24,083)

#### *Cash*

Beginning of year 24,237

End of year \$ 154

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See notes to financial statements

# **GEB FINANCIAL SERVICES GROUP, LLC**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2004**

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### **(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***NATURE OF OPERATIONS***

GEB Financial Services Group, LLC (the "*Company*") is a broker-dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc.

#### ***ACCOUNTING ESTIMATES***

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

#### ***CASH AND CASH EQUIVALENTS***

Cash equivalents are carried at cost, which approximates market. The Company considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

#### ***CONCENTRATIONS OF CREDIT RISK***

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company places its cash with its principal bank which is a high credit, quality financial institution.

#### ***FURNITURE AND EQUIPMENT***

Furniture and equipment are stated at cost. Depreciation is provided using the straight-line method over estimated useful lives which are generally seven years. Costs of normal repairs and maintenance are charged to expenses as incurred.

#### ***COMMISSIONS***

Commissions are recorded on a trade date basis as securities transactions occur.

#### ***FEDERAL INCOME TAXES***

The Company has elected to be treated as limited liability corporation under the Internal Revenue Code. Accordingly, the Company's taxable income is reported in the individual federal income tax return of the members. Consequently, no provision for federal income taxes is reflected in the accompanying financial statements.

#### ***ADVERTISING***

Advertising costs are expensed when incurred.

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# GEB FINANCIAL SERVICES GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2004

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### (2) REGULATORY REQUIREMENTS AND GOING CONCERN DISCUSSIONS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule, which requires that the Company maintain minimum net capital, as defined, and may not permit its aggregate indebtedness, as defined, to exceed fifteen times its net capital. At December 31, 2004, the Company's regulatory net capital was \$(52,277), which was \$57,277 below the required net capital of \$5,000, and the Company's ratio of aggregate indebtedness to net capital was (1.01) to 1.

The Company failed to meet its net capital requirements at December 31, 2004. Although the Company had a capital contribution in the amount of \$250,000 in March 2005, the Company continues to suffer operating losses, capital outflows and difficulty arranging capital resources to maintain its operations.

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**TAIT, WELLER & BAKER**  
*Certified Public Accountants*

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5**

**Members**

**GEB Financial Services Group, LLC  
Clearwater, Florida**

In planning and performing our audit of the financial statements of GEB Financial Services Group, LLC (the "*Company*"), for the year ended December 31, 2004, we considered its internal control, including procedures for safeguarding securities, 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.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13, or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

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 Commission's above-mentioned objectives. Two of the objectives of internal control 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 conformity with accounting principles generally accepted in the United States of America. 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.

Our consideration of internal control would not necessarily disclose all matters in internal control 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 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 internal control, including procedures 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 Commission 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, 2004, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and is not intended to be and should not be used by anyone other than these specified parties.



**Philadelphia, Pennsylvania**  
**April 29, 2005**