

SECURITIES AND EXCHANGE COMMISSION

FORM X-17A-5/A

Annual audited report of brokers and dealers (Section 17 of Act 1934 and Rule 17a-5) [amend]

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FILER

**PINNACLE CAPITAL MARKETS, LLC**

CIK: **1168161** | IRS No.: **061708806** | State of Incorporation: **NC** | Fiscal Year End: **1231**  
Type: **X-17A-5/A** | Act: **34** | File No.: **008-65208** | Film No.: **05041532**

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RALEIGH NC 27609

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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 **A**  
PART III

SEC FILE NUMBER  
8-065208

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 01/01/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Pinnacle Capital Markets, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

4700 Falls of Neuse, Suite 390

(No. and Street)

Raleigh

NC

27609

(City)

(State)

(Zip Code)

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

Michael Paciorek

(919) 850-0888

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Batchelor, Tillery & Roberts, LLP

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

P.O. Box 18068

Raleigh,

NC

27619

(Address)

(City)

(State)

(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

RECEIVED  
MAY 03 2005

SEC. 17A-5  
SECTION 17A

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)

SEC 1410 (06-02)

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Handwritten initials and date: 5/19/05

OATH OR AFFIRMATION

I, Michael A. Paciorek, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pinnacle Capital Markets, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Michael A. Paciorek  
Signature  
Managing Director  
Title

[Signature]  
Notary Public

My Commission Expires 7.2.07

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).

PINNACLE CAPITAL MARKETS, LLC

Supplemental Schedules of Computation and Reconciliation of  
Net Capital in Accordance with Rule 15c3-1 of the  
Securities and Exchange Commission

December 31, 2004

Total assets	\$ 1,100,359
Deduct: Aggregate indebtedness	<u>(395,929)</u>
Net equity	704,430
Add: Excluded indebtedness	-
Add: Subordinated liabilities	-
Deduct: Non-liquid assets	(151,886)
Deduct: Concessions	-
Deduct: Securities haircuts	<u>-</u>
Net capital	\$ <u>552,544</u>
Capital requirements:	
Broker-dealer	\$ 25,063
Net capital in excess of requirements	<u>527,481</u>
Net capital as above	\$ <u>552,544</u>
Net capital per December 31 Focus report (unaudited)	\$ 540,168
Year-end adjustments posted after original focus filed on January 26, 2005	<u>12,376</u>
Adjusted net capital, December 31	\$ <u>552,544</u>