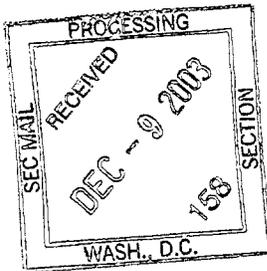




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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- ~~38304~~

48222

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 10/01/02 AND ENDING 9/30/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Clark Street Capital, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

12600 Deerfield Parkway, Suite 100

(No. and Street)

Alpharetta

(City)

GA

(State)

30004

(Zip Code)

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

Marco Alfonsi

(516) 512-6393

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Rubio CPA, PC

2120 Powers Ferry Road
Suite 350

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

Atlanta

(City)

GA

(State)

30339

(Zip Code)

(Address)

CHECK ONE:

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

PROCESSED
DEC 23 2003

FOR OFFICIAL USE ONLY

THOMSON
FINANCIAL

*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)

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.

08/12/16

OATH OR AFFIRMATION

I, Marco Alfonsi, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Clark Street Capital, Inc., as of September 30, 2003, 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]
Notary Public

[Signature]
Signature
President
Title

MUSTAFA DAVID SAYID
Notary Public, State of New York
Qualified in Queens County
Commission Expires April 11, 2006

MUSTAFA DAVID SAYID
Notary Public, State of New York
No. 41-4929364
Qualified in Queens County
Commission Expires April 11, 2006

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).

CLARK STREET CAPITAL, INC.
FINANCIAL STATEMENTS AND SCHEDULES
Pursuant to Rule X17A-5
For the Years Ended
September 30, 2003 and 2002
With Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

Stockholders and Board of Directors
of Clark Street Capital, Inc.

We have audited the accompanying statement of financial condition of Clark Street Capital, Inc., as of September 30, 2003 and 2002 and the accompanying statements of operations, cash flows and stockholders' equity for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of Clark Street Capital, Inc. as of September 30, 2003 and 2002 and for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The information contained in Schedules I, II, III, IV and V 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.



RUBIO CPA, PC

November 26, 2003
Atlanta, Georgia

CLARK STREET CAPITAL, INC.
STATEMENT OF FINANCIAL CONDITION
SEPTEMBER 30, 2003 AND 2002

ASSETS

	<u>2003</u>	<u>2002</u>
Cash and cash equivalents	\$ 6,149	\$ 93,144
Advances to brokers	10,400	3,000
Due from clearing broker-dealer	64,794	35,107
Deposit with clearing broker-dealer	59,136	110,000
Furniture and office equipment, net	3,172	6,286
Marketable securities	206,879	584,420
Refundable income taxes	25,000	-
Deposits and other	<u>4,148</u>	<u>3,524</u>
Total assets	<u>\$ 379,678</u>	<u>\$ 835,481</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities		
Accounts payable	\$ 15,610	\$ 35,770
Due to clearing broker-dealer	85,443	108,183
Accrued commissions	26,454	67,485
Income taxes payable	<u>39,000</u>	<u>203,000</u>
Total liabilities	166,507	414,438
Stockholders' Equity:		
Common stock, \$.0001 par value; 2,000,000 shares authorized; 100 shares issued and outstanding	-	-
Additional paid-in capital	258,245	160,826
Retained earnings	<u>(45,074)</u>	<u>260,217</u>
Total stockholders' equity	<u>213,171</u>	<u>421,043</u>
	<u>\$ 379,678</u>	<u>\$ 835,481</u>

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

CLARK STREET CAPITAL, INC.
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
REVENUES		
Commissions	\$ 488,155	\$ 1,249,920
Investment banking	636,375	384,280
Other income	<u>72,135</u>	<u>-</u>
	1,196,665	1,634,200
EXPENSES:		
Employee compensation and benefits	564,835	131,601
Clearing costs	195,041	203,765
Communications	20,883	22,044
Occupancy	70,356	91,900
Losses on market securities – investment banking	261,151	-
Management fees	337,500	-
Other operating expenses	<u>241,190</u>	<u>646,789</u>
Total expenses	<u>1,690,956</u>	<u>1,096,099</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	<u>494,291</u>	<u>538,101</u>
INCOME TAX EXPENSE (BENEFIT)	<u>(189,000)</u>	<u>203,000</u>
NET INCOME (LOSS)	<u>\$ (305,291)</u>	<u>\$ 335,101</u>

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

CLARK STREET CAPITAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>COMMON STOCK</u> <u>SHARES</u>	<u>AMOUNT</u>	<u>ADDITIONAL</u> <u>PAID-IN</u> <u>CAPITAL</u>	<u>RETAINED</u> <u>EARNINGS</u> <u>(DEFICIT)</u>	<u>TOTAL</u> <u>STOCKHOLDER'S</u> <u>EQUITY</u>
Balance, September 30, 2001	1,000	\$ 1,000	\$ 124,825	\$ (74,884)	\$ 50,941
Change in par value	(900)	(1,000)	1,000		
Capital contributions			35,001		35,001
Net income	<u> </u>	<u> </u>	<u> </u>	<u>335,101</u>	<u>335,101</u>
Balance, September 30, 2002	100	-	160,826	260,217	421,043
Capital contributions			97,419		97,419
Net loss	<u> </u>	<u> </u>	<u> </u>	<u>(305,291)</u>	<u>(305,291)</u>
	<u>100</u>	<u>\$ -</u>	<u>\$ 258,245</u>	<u>\$ (45,074)</u>	<u>\$ 213,171</u>

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

CLARK STREET CAPITAL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (305,291)	\$ 335,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	3,113	2,280
Decrease (increase) in due from clearing broker dealer	(29,687)	23,972
Increase in refundable income taxes	(25,000)	-
Decrease in accounts payable	(20,160)	(2,105)
Increase (decrease) in due to clearing broker-dealer	(22,740)	89,782
Increase (decrease) in accrued commissions	(41,031)	67,485
Increase (decrease) in income taxes payable	<u>(164,000)</u>	<u>192,900</u>
Net cash provided by operating activities	(604,796)	709,415
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances to brokers	(7,400)	(3,000)
Proceeds from capital contributions	<u>97,419</u>	<u>35,001</u>
Net cash provided by financing activities	90,019	32,001
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease (increase) in marketable securities	377,542	(566,019)
Deposit with clearing broker dealer	50,364	(110,000)
Increase in other assets	<u>(624)</u>	<u>(224)</u>
Net cash provided (used) by investing activities	<u>427,782</u>	<u>(676,243)</u>
NET INCREASE (DECREASE) IN CASH	(86,995)	65,173
CASH AND CASH EQUIVALENTS:		
At beginning of year	<u>93,144</u>	<u>27,971</u>
At end of year	<u>\$ 6,149</u>	<u>\$ 93,144</u>

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

CLARK STREET CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: The Company is an independent registered broker-dealer and a member of the National Association of Securities Dealers. The Company was incorporated in Illinois in 1995 and became a Georgia Corporation during 2001.

The Company's primary activities are brokerage of securities and investment banking services.

Property and Equipment: Property and equipment are stated at cost. Expenditures for renewals and improvements that add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense accounts as incurred. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in the Company's statement of income for the applicable period.

Cash and Cash Equivalents: The Company considers all cash and money market instruments with a maturity of ninety days or less to be cash and cash equivalents.

The company maintains its bank accounts at high credit quality institutions. Bank balances, at times, may exceed federally insured limits.

Revenues: Commission income and expenses are recorded on a trade date basis. Securities transactions of the Company are also recorded on a trade date basis.

Securities: Marketable securities are valued at market value and securities not readily marketable are valued at fair value as determined by the Board of Directors. The resulting difference between cost and market (or fair value) is included in income.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Income Taxes: The provision for income taxes represents the total of income taxes paid or payable for the current year, plus the change in deferred taxes during the year. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements. Deferred tax expense or benefit is recognized in the financial statements for the changes in deferred liabilities or assets between years. Income taxes are calculated using the liability method specified by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

CLARK STREET CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

NOTE B – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business, the Company executes, as agent, transactions on behalf of customers. If the agency or principal 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 non-performing party and, as a result, may incur a loss if the market value of the securities is different from the contract amount of the transaction.

The Company does not anticipate non-performance by customers or counterparties in the above situations. 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 customer with which it conducts business.

NOTE C – NET CAPITAL REQUIREMENTS

The Company, as a registered broker-dealer, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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 September 30, 2003, the Company had net capital of \$113,501, which was \$102,401 in excess of its required net capital of \$11,100 and the ratio of aggregate indebtedness to net capital was 1.47 to 1.0.

NOTE D – INCOME TAXES

The provision for income taxes is summarized as follows:

	<u>2003</u>	<u>2002</u>
Current income taxes	\$ (189,000)	\$ 203,000
Deferred income taxes	<u>-</u>	<u>-</u>
Income tax expense (benefit)	<u>\$ (189,000)</u>	<u>\$ 203,000</u>

Deferred income taxes are recognized for the effects of temporary differences between the basis of assets and liabilities for financial and income tax purposes. Deferred income taxes were not significant at September 30, 2003 and 2002.

NOTE E – CONCENTRATION

All of the investment banking revenue for 2003 was earned from three customers.
All of the investment banking revenue for 2002 was earned from a single customer.

CLARK STREET CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

NOTE F – LEASES

The Company leases office space under month-to-month operating leases. Rent expense for the years ended September 30, 2003 and 2002 was approximately \$70,000 and \$92,000.

NOTE G – CONTINGENCIES

The Company is engaged in litigation as plaintiff and defendant in the normal course of business. At September 30, 2002, the Company was defendant in an arbitration claim for \$182,000. The claim was dropped during 2003 at no cost to the Company.

Management does not expect to incur any significant losses from litigation in progress at September 30, 2003.

NOTE H – NET LOSS

During 2003, the Company incurred a net loss of \$350,291 and was dependent upon capital contributions from its stockholders for working capital and to meet its net capital requirements. The controlling stockholder of the Company has provided written assurance that he has the means and intention to provide working capital at least until October 1, 2004 as needed for the Company's survival.

NOTE I – RELATED PARTIES

The Company has a management agreement with a company that is also a minority stockholder. Management fees, which are discretionary, for 2003 were \$337,500 and were paid through a transfer of marketable securities.

Financial position and results of operations would differ from the amounts in the accompanying financial statements if the aforementioned related party transactions had not occurred.

CLARK STREET CAPITAL, INC.

**Supplementary Information
Pursuant to Rule 17(a)-5 of the
Securities Exchange Act of 1934
September 30, 2003**

The accompanying schedules are prepared in accordance with the requirements and general format of FOCUS Form X-17 A-5.

CLARK STREET CAPITAL, INC.
SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER
RULE 15c3-1 OF THE SECURITIES
AND EXCHANGE COMMISSION
ACT OF 1934

September 30, 2003

Net Capital	
Total stockholder's equity qualified for net capital	\$ <u>213,171</u>
Deduction for non-allowable assets:	
Advances to brokers	10,400
Furniture and equipment	3,172
Deposits and other assets	4,148
Refundable income taxes	<u>25,000</u>
	<u>42,720</u>
Net capital before haircuts	170,451
Less haircuts	<u>(56,950)</u>
Net capital	\$ <u>113,501</u>
Aggregate Indebtedness - liabilities	\$ <u>166,507</u>
Computation of Basic Net Capital Requirement:	
Minimum net capital required	\$ <u>11,100</u>
Excess net capital	\$ <u>102,401</u>
Ratio of aggregate indebtedness to net capital	<u>1.47 to 1.0</u>

RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL INCLUDED
IN PART IIA OF FORM X-17A-5 AS OF SEPTEMBER 30, 2003

There was no significant difference between net capital as computed above and in Form X-17A-5.

CLARK STREET CAPITAL, INC.

**SCHEDULE II
COMPUTATION FOR DETERMINATION
OF THE RESERVE REQUIREMENTS UNDER RULE 15c3-3
OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF SEPTEMBER 30, 2003**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption.

**SCHEDULE III
INFORMATION RELATING TO THE POSSESSION
OR CONTROL REQUIREMENTS UNDER RULE 15c3-3
OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF SEPTEMBER 30, 2003**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption.

CLARK STREET CAPITAL, INC.

**SCHEDULE IV
SCHEDULE OF SEGREGATION REQUIREMENTS
AND FUNDS IN SEGREGATION
FOR CUSTOMERS' REGULATED COMMODITY FUTURES
AND OPTIONS ACCOUNTS
AS OF SEPTEMBER 30, 2003**

The Company does not maintain funds, regulated commodity futures and options accounts for customers.

**SCHEDULE V
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS AND GENERAL CREDITORS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

The Company had no liabilities subordinated to claims and general creditors.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY RULE 17a-5

To the Stockholders and Board of Directors of
Clark Street Capital, Inc.:

In planning and performing our audit of the financial statements of Clark Street Capital, Inc. for the year ended September 30, 2003, we considered its internal control structure, 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 structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by Clark Street Capital, Inc. that we considered relevant to the objective stated in Rule 17a-5(g). 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 17a-3(a)(11) and the procedure for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company related to the following: (1) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (2) 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; and (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 an internal control structure 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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 the internal control structure would not necessarily disclose all matters in the internal control structure 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 errors or irregularities 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 the internal control structure, which we consider to be material weaknesses as defined above.

In addition, no facts came to our attention indicating that the exemptive provision of Rule 15c3-3 had not been complied with during the year.

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 September 30, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Security Dealers and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

November 26, 2003
Atlanta, Georgia



RUBIO CPA, PC