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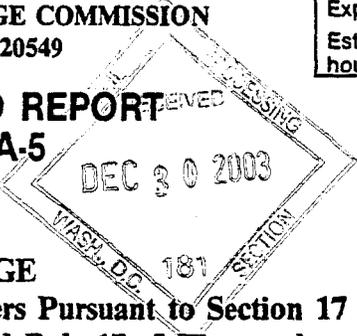
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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SEC FILE NUMBER
8-5281

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



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 NOVEMBER 1, 2002 AND ENDING OCTOBER 31, 2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

BRIMBERG & CO. LP

OFFICIAL USE ONLY
FIRM ID. NO.

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

45 ROCKEFELLER PLAZA SUITE 2570

(No. and Street)

NEW YORK

NY

10111

(City)

(State)

(Zip Code)

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

FRANCIS A MLYNARCZYK, JR.

(212) 333 5400

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SANFORD BECKER & CO, PC

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

1430 BROADWAY 6th FLOOR

NEW YORK

NY

10018

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

PROCESSED
FEB 04 2004

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)

OATH OR AFFIRMATION

I, JACK BRIMBERG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BRIMBERG & CO., as of OCTOBER 31, 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:

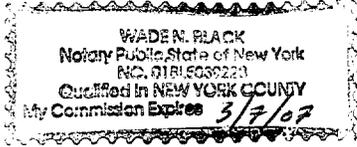
Jack Brimberg

Signature
Chief Executive Officer

Title

Wade M. Black

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~~ = CASH FLOWS
 - (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~~. Computation of Net Capital as shown on Part IIA
 - (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).

BRIMBERG & CO.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
ON PART IIA OF FORM X-17A-5

YEAR ENDED OCTOBER 31, 2003

FORM

(Financial and Operational Combined Uniform Single Report)

X-17A-5

PART IIA

12

10/85

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

BRIMBERG & CO

SEC FILE NO

8 5281

FOR FIRM ID NO

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

45 ROCKEFELLER PLAZA SUITE 2570

(No and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

11 / 1 / 02

AND ENDING (MM/DD/YY)

NEW YORK

(City)

NY

(State)

10111

(Zip)

10 / 31 / 03

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

JACK BRIMBERG

(Area Code) - Telephone No.

(212) 333 4500

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

NONE

OFFICIAL USE

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES 40

NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 22nd day of December 2003

Manual Signatures of

1) Jack Brimberg
Principal Executive Officer or Managing Partner

2) Francis A. McLaughlin
Principal Financial Officer or Partner

3) Francis A. McLaughlin
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a))

BRIMBERG & CO.
OCTOBER 31, 2003

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SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Partners
Brimberg & Co.
New York, N.Y.

We have audited the accompanying statement of financial condition of Brimberg & Co. as of October 31, 2003 and the related statements of income, changes in partners' equity and cash flows for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 Brimberg & Co. as of October 31, 2003 and the results of their operations and their cash flows for the year 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 statements taken as a whole. The information contained in the schedules listed on the accompanying index 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 under the Securities Exchange Act of 1934. 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.

New York, New York
December 5, 2003



**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

BRIMBERG & CO.

N 3

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

as of (MM/DD/YY) 10/31/03

SEC FILE NO. 8-5281

Consolidated		99
Unconsolidated	X	199

ASSETS

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash	\$ 404,200		\$ 404,200
2. Receivables from brokers or dealers:			
A. Clearance account	303,958		303,958
B. Other	300	550	810
3. Receivables from non-customers	355	23,594	23,594
4. Securities and spot commodities owned, at market value:			
A. Exempted securities	88,974		88,974
B. Debt securities	419		419
C. Options	420		420
D. Other securities	3,610		3,610
E. Spot commodities	430		430
5. Securities and/or other investments not readily marketable:			
A. At cost \$	130		130
B. At estimated fair value	440	610	1,050
6. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$	460	630	1,090
B. Other securities \$	150		150
7. Secured demand notes:	470	640	1,110
market value of collateral:			
A. Exempted securities \$	170		170
B. Other securities \$	180		180
8. Memberships in exchanges:			
A. Owned, at market \$	190		190
B. Owned, at cost		650	650
C. Contributed for use of the company, at market value		660	660
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	1,150
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490	680	1,170
11. Other assets	535	63,976	63,976
12. TOTAL ASSETS	\$ 800,742	\$ 87,570	\$ 888,312

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

BRIMBERG & CO.

as of 10/31/03

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

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	A.I. <u>Liabilities</u>	Non-A.I. <u>Liabilities</u>	<u>Total</u>
13. Bank loans payable.....	\$ 1045	\$ 1255	\$ 147
14. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	156
B. Other.....	1115	1305	154
15. Payable to non-customers.....	1155	1355	161
16. Securities sold not yet purchased, at market value.....		1360	162
17. Accounts payable, accrued liabilities, expenses and other.....	410,462 1205	1385	410,462 168
18. Notes and mortgages payable:			
A. Unsecured.....	1210		169
B. Secured.....	1211	1390	170
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$ 970		1400	171
2. Includes equity subordination (15c3-1 (d)) of \$ 980			
B. Securities borrowings, at market value:...		1410	172
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements:.....		1420	173
1. from outsiders: \$ 1000			
2. Includes equity subordination (15c3-1 (d)). of \$ 1010			
D. Exchange memberships contributed for use of company, at market value.....		1430	174
E. Accounts and other borrowings not qualified for net capital purposes.....	4,157 1220	1440	4,157 175
20. TOTAL LIABILITIES.....	\$ 414,619 1230	\$ 1450	\$ 414,619 176

Ownership Equity

21. Sole proprietorship.....			\$ 17
22. Partnership (limited partners.....)	\$ 68,410 1020		\$ 473,693 177
23. Corporation:			
A. Preferred stock.....			17
B. Common stock.....			17
C. Additional paid-in capital.....			17
D. Retained earnings.....			17
E. Total.....			17
F. Less capital stock in treasury.....			17
24. TOTAL OWNERSHIP EQUITY.....			\$ 473,693 18
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....			\$ 888,312 18

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BRIMBERG & CO.

STATEMENTS OF EARNINGS

FOR THE YEAR ENDED OCTOBER 31, 2003

REVENUE

Commissions	\$ 4,040,581
Other Revenue	<u>3,046</u>
	\$ 4,043,627

EXPENSES

Employee Compensation	213,724
Interest	2,689
Regulatory Fees	20,010
Other Operating Expenses	<u>3,254,945</u>
	\$ 3,491,368
NET INCOME (NOTE 1)	<u>\$ 552,259</u>

BRIMBERG & CO.

STATEMENTS OF PARTNERS' EQUITY

FOR THE YEAR ENDED OCTOBER 31, 2003

<u>BALANCE - November 1, 2002</u>	581,783
Add: Net Income	<u>552,259</u>
	1,134,042
Deduct: Drawings (Net)	<u>660,349</u>
<u>BALANCE - October 31, 2003</u>	<u>473,693</u>

BRIMBERG & CO.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED OCTOBER 31, 2003

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income For the Year	\$ 552,259
Adjustment To Reconcile Net Income To Net Cash Provided by Operating Activities:	
Increase in Accounts Payable and Accrued Payable	94,379
Decrease in Receivables From Brokers or Dealers	141,342
Decrease in Receivables From Non-Customers	13,881
Increase in Other Assets	<u>(44,358)</u>

Net Cash Provided by Operating Activities 757,503

CASH FLOWS FROM INVESTING ACTIVITIES:

Increase in Securities Owned (Net)	<u>(786)</u>
	756,717

CASH FLOWS FROM FINANCING ACTIVITIES:

Partnership Liquidations & Drawings	<u>(660,349)</u>
Net Increase in Cash and Cash Equivalents	96,368

Cash and Cash Equivalents at Beginning of Year	<u>307,832</u>
Cash and Cash Equivalents at End of Year	<u><u>404,200</u></u>

BRIMBERG & CO.

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2003

(1) Summary of Significant Accounting Policies:

Accounting for securities transactions is on a settlement date basis (normally three business days after trade date).

Securities owned are valued at market and the unrealized gains and losses are reflected in principal transactions.

Federal income taxes have not been provided as partners are individually liable for their own tax payments.

(2) Net Capital Requirements:

The Company is subject to the uniform net capital rule (Rule 15c-3-1) of the Security Exchange Act of 1934 which requires the partnership to maintain a ratio of aggregate indebtedness to net capital as defined, not to exceed 15 to 1. At October 31, 2003 Brimberg & Co.'s net capital was \$379,353 whereas the percentage of aggregate indebtedness to net capital was 109% compared to a maximum allowable percentage of 1,500%.

Brimberg & Co. is exempt from Rule 15c3-3 and the conditions of exemption were being complied with as of October 31, 2003 and that no facts came to our attention that the exemption had not been complied with during the period since our last examination.

(3) Brimberg & Co. is obligated under the terms of a lease covering their office space as of 10/31/03. Total payments are due in the amount of \$42,477.34 until December 31, 2003. Commencing January 1, 2004 and expiring on December 31, 2008, the fixed rent payable under this lease shall be an amount equal to \$223,216.00 per annum.

(4) Brimberg & Co. maintains cash in bank accounts which, at times, may exceed federally insured limits.

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER **BRIMBERG & CO.**

as of 10/31/03

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	473,693	3480
2. Deduct ownership equity not allowable for Net Capital.....	Y		3490
3. Total ownership equity qualified for Net Capital.....		473,693	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.....	\$	473,693	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C).....	Y	87,570	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities-proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
7. Other additions and/or allowable credits (List).....			3630
8. Net capital before haircuts on securities positions.....	Y	87,570	3620
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.....	Y	6,228	3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....		542	3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
10. Net Capital.....	\$	6,770	3740
	\$	379,353	3750

OMIT PENNIE:

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BROKER OR DEALER **BRIMBERG & CO**

as of 10/31/03

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	27,641	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)	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	100,000	3760
14. Excess net capital (line 10 less 13)	\$	279,353	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$		3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	414,619	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
19. Total aggregate indebtedness	\$	414,619	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	109%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 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	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3910
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of:			
5% of combined aggregate debit items or \$120,000	\$		3920

NOT
APPLICABLE

OMIT PENNIE

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. 6-2/3% of aggregate indebtedness or 2% 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.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 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 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 PERSHING LLC 4335 X 4570
- D. (k) (3)—Exempted by order of the Commission 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 withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
Y 32 4600	4601	4602	4603	4604	4605
Y 33 4610	4611	4612	4613	4614	4615
Y 34 4620	4621	4622	4623	4624	4625
Y 35 4630	4631	4632	4633	4634	4635
Y 36 4640	4641	4642	4643	4644	4645
Y 37 4650	4651	4652	4653	4654	4655
Y 38 4660	4661	4662	4663	4664	4665
Y 39 4670	4671	4672	4673	4674	4675
Y 40 4680	4681	4682	4683	4684	4685
Y 41 4690	4691	4692	4693	4694	4695
TOTAL \$			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 payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION
- 1. Equity Capital
 - 2. Subordinated Liabilities
 - 3. Accruals
 - 4. 15c3-1(c)(2)(iv) Liabilities

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BRIMBERG & CO.
RECONCILIATION BETWEEN AUDITED COMPUTATION OF NET CAPITAL
AND BRIMBERG & CO's CORRESPONDING UNAUDITED PART IIA
COMPUTATION OF NET CAPITAL

October 31, 2003

Unaudited Net Capital - October 31, 2003 Part IIA	379,353
Audited Net Capital - October 31, 2003 Parat IIA	<u>379,353</u>

NO MATERIAL DIFFERENCES EXISTED

SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT ON INTERNAL CONTROL

The Partners
Brimberg & Co.

In planning and performing our audit of the financial statements and supplemental schedules of Brimberg & Co. for the year ended October 31, 2003 we considered its internal control structure 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 structure.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by Brimberg & Co. including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a) (11) and or determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure and 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 and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit 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 an internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection on 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 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, 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 of such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at October 31, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and should not be used for any other purpose.

New York, New York
December 5, 2003

