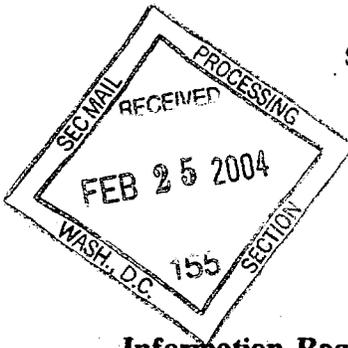




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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
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hours per response . . . 12.00



SEC FILE NUMBER
8- 32108

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 01/01/2003 AND ENDING 12/31/2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.

OFFICIAL USE ONLY
15396
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2440 COLONIAL PARKWAY

(No. and Street)

FORT WORTH, TX 76109
(City) (State) (Zip Code)

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

CHARLES E. CUNNINGHAM 817-924-9737
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Gottfried E. Weber, CPA
(Name - if individual, state last, first, middle name)

1144 W. Pioneer Parkway, Ste. F Arlington Texas 76013
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

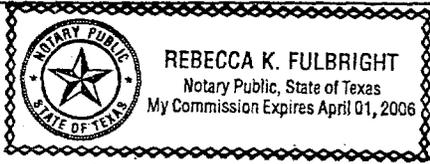
PROCESSED
MAR 16 2004

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).

OATH OR AFFIRMATION

I, Charles E. Cunningham, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC., as of December 31, 19 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:



Rebecca K Fulbright
Notary Public

Charles E. Cunningham
Signature
President
Title

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 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.
(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.
o Statement of Cash Flow
p Statement of exemption to 15c3-3

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

CUNNINGHAM & CUNNINGHAM CO., INC

FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS	PAGE	FACING PAGE REQUIREMENT
Auditor's Report.....	1	(1)
Statement of Financial Condition.....	2	(b)
Statement of Income (Loss).....	3	(c)
Statement of Stockholder's Equity.....	4	(e)
Statement of Retained Earnings.....	4	
Statement of Cash Flows.....	5	(d) & (o)
Notes of Financial Statements.....	6	
SUPPLEMENTAL SCHEDULES		
Statements of Changes in Liabilities To Claims of General Creditors.....	8	(f)
Statements of Computation of Net Capital.....	9	(g)
Statement of Exemption to Rule 15c3-3.....	10	(h) & (l)
Reconciliation of Computation of Net Capital.....	11	(j)
Reconciliation with Company's Computations....	12	
Report on Company Inadequacies.....	13	

INDEPENDENT AUDITOR'S REPORT

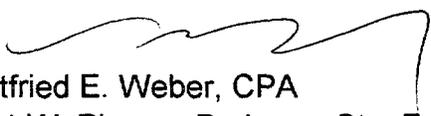
Board of Directors

Cunningham & Cunningham Investment Co., Inc

I have audited the accompanying balance sheet of Cunningham & Cunningham Investment Co., Inc. (a Texas corporation) as of December 31, 2003, and the related statements of income, retained earnings, and cash flows for the year ended. Those 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.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I 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 principle uses and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My examination was made for the purpose of forming an opinion on the basic financial statements, 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 examination of the basic financial statements. In my opinion, the financial statements referred to above present fairly, in all material respects, financial position of Cunningham & Cunningham Investment Co., Inc. as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Gottfried E. Weber, CPA
1144 W. Pioneer Parkway, Ste. F
Arlington, TX 76013

February 10, 2004

CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.

BALANCE SHEET

AS OF DECEMBER 31, 2003 AND 2002

ASSETS

	<u>2002</u>	<u>2003</u>
CURRENT ASSETS		
Checking Account	\$ 4,860.00	\$ 5,033.00
Clearing Account	8,459.00	8,506.00
Commissions Receivable	<u>1,546.00</u>	<u>0.00</u>
Total Current Assets	\$ 14,865.00	\$ 13,539.00
FIXED ASSETS		
Equipment	\$ 809.00	\$ 809.00
Accumulated Depreciation	<u>(809.00)</u>	<u>(809.00)</u>
Total Fixed Assets	\$ 0.00	\$ 0.00
TOTAL ASSETS	<u>\$ 14,865.00</u>	<u>\$ 13,539.00</u>

LIABILITIES & STOCKHOLDERS EQUITY

CURRENT LIABILITIES		
Loan from Stockholders	\$ 0.00	\$ 0.00
Accumulated Payable	<u>0.00</u>	<u>0.00</u>
Total Current Liabilities	\$ 0.00	\$ 0.00
TOTAL LIABILITIES	\$ 0.00	\$ 0.00
STOCKHOLDERS EQUITY		
Capital (\$1.00 par value, 100,000 shares Authorized, 10,000 issued and outstanding)	\$ 10,000.00	\$ 10,000.00
Retained Earnings	<u>4,865.00</u>	<u>3,539.00</u>
Total Members Equity	\$ 14,865.00	13,539.00
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	<u>\$ 14,865.00</u>	<u>\$ 13,539.00</u>

SEE NOTES TO FINANCIAL STATEMENTS

CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003 & 2002

INCOME	<u>2002</u>	<u>2003</u>
Sales	\$ 9,328.00	\$ 6,911.00
Interest	80.00	47.00
Miscellaneous (Rebate)	197.00	0.00
Total Income	<u>\$ 9,605.00</u>	<u>\$ 6,958.00</u>
EXPENSES		
Accounting	\$ 1,450.00	\$ 1,050.00
Bond Fees	1,143.00	1,036.00
Clearing	7,419.00	0.00
Management	0.00	5,000.00
Miscellaneous	359.00	48.00
NASD Fees	1,143.00	1,345.00
Registration Fees	0.00	0.00
SIPC Fees	156.00	(195.00)
Total Expenses	<u>\$ 11,670.00</u>	<u>\$ 8,284.00</u>
NET INCOME BEFORE INCOME TAXES	\$ (2,065.00)	\$ (1,326.00)
INCOME TAXES	0.00	0.00
NET INCOME (LOSS)	<u>\$ (2,065.00)</u>	<u>\$ (1,326.00)</u>
NET INCOME PER COMMON SHARE (NOTE A)	<u>\$ N/A</u>	<u>\$ N/A</u>

SEE NOTES TO FINANCIAL STATEMENT

**CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2003**

	SHARES	AMOUNT
BALANCE AT JANUARY 1, 2002	10,000.00	10,000.00
NET CHANGES FOR THE PERIOD (PAID IN CAPITAL)	<u>0.00</u>	<u>0.00</u>
BALANCE AT DECEMBER 31, 2002	10,000.00	10,000.00

**CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.
STATE OF RETAINED EARNINGS
BALANCE AT DECEMBER 31, 2003**

	<u>2002</u>	<u>2003</u>
BALANCE JANUARY 1, 2002	\$ 6,930.00	\$ 4,865.00
NET INCOME FOR THE PERIOD	<u>(2,065.00)</u>	<u>(1,326.00)</u> 0.00
BALANCE DECEMBER 31	\$ 4,865.00	\$ 3,539.00

SEE NOTES TO FINANCIAL STATEMENT

CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2003 & 2002
INCREASE (DECREASE) IN CASH OR CASH EQUIVALENTS

	12 Months Ended December 31, 2002	12 Months Ended December 31, 2003
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (Loss)	(2,065.00)	(1,326.00)
Adjustments to Reconcile Cash Flow	0.00	0.00
Depreciation	0.00	0.00
Amortization	0.00	0.00
Decrease (Increase) in Accounts Receivable	(1,546.00)	1,546.00
Increase (Decrease) in Current Liabilities		
Accounts Payable	0.00	0.00
Clearing Payable	0.00	0.00
Deposits Payable	0.00	0.00
Total Adjustments	0.00	0.00
Cash Provided (Used) by Operations	(3,611.00)	220.00
CASH FLOW FROM INVESTING ACTIVITIES		
Sales (Purchases) of Assets	0.00	0.00
Assets	0.00	0.00
Cash Provided (Used) by Investing	0.00	0.00
CASH FLOW FROM FINANCING ACTIVITIES		
Cash (Used) or Provided By: Dividends	0.00	0.00
Cash From Financing Activities	0.00	0.00
NET INCREASE (DECREASE) IN CASH	(3,611.00)	220.00
CASH AT BEGINNING OF PERIOD	16,930.00	13,319.00
CASH AT END OF PERIOD	13,319.00	13,539.00

SEE NOTES TO FINANCIAL STATEMENTS

CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The company is a discount brokerage firm formed for the purpose of generating commissions from buying and selling securities for customers.

Income Per Share

Net Income per share of common stock computed bases on the weighted average number of shares outstanding during the year (10,000 shares in 2003).

Income Taxes

The Company, with the consent of stockholders, has elected under the Internal Revenue Code to be an S Corporation. In lieu of corporation income taxes, the stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for Federal income taxes has been included in these financial statements.

NOTE B - OCCUPANCY EXPENSE

The Company occupies office space which is owned by the Company's major stockholder. No charge has been made to the Company for occupying the office space based on a contractual agreement between the Company and the stockholder.

FOCUS REPORT - PART IIA
Statement of Changes in Ownership Equity / Subordinated Liabilities

Firm Name: Cunningham & Cunningham Investment Co., Inc. Firm ID: 32108
From 10/01/03
To 12/31/03

State of Changes in Ownership Equity

1. Balance, Beginning of Period	13,539
A. Net income (loss)	0
B. Additions, incl. Non-conforming capital of	0
C. Deductions, incl. Non-conforming capital of	<u>0</u>
2. Balance, end of Period	<u>13,539</u>

Statement of Changes in Subordinated Liabilities

3. Balance, beginning of Period	
A. Increases	
B. Decreases	<u>0</u>
4. Balance, End of Period	<u>0</u>

FOCUS REPORT - PART IIA
Computation of Net Capital

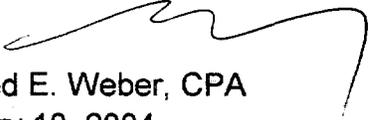
As of 12/31/03

<hr/>	<hr/>
Firm Name: Cunningham & Cunningham Investment Co., Inc.	Firm ID: 32108
1 Total ownership equity (o/e)	13,539
2 Deduct o/e not allowable for net capital	0
3 Total o/e qualified for net capital	0
4 Add:	
A. Allowable subordinated liabilities	
B. Other deductions or credits	
Description	Amount
0	
0	
0	
5 Total cap & allowable subloans	<hr/> 13,539
6 Deductions &/or charges	
A. Total non-allowable assets	
B. Secured demand note deficiency	
C. Cap chgs for spot & commodity futures	
D. Other deductions &/or charges	<hr/>
7 Other additions &/or allowable credits	
Description	Amount
0	
0	
0	
8 Net capital before haircuts	<hr/> 13,539
9 Haircut on Securities	
Other Securities	
Undue Concentration	
10 Net Capital	13,539

Compliance Examiner
National Association of Securities Dealers

After examination of Cunningham & Cunningham Investment Co., Inc., as of the date of this letter, I find no evidence that Cunningham & Cunningham Investment Co., Inc. conducts any practices that would cause it to lose its exemption to regulation 15c3-3 under rule K(2)(iii).

Cunningham & Cunningham Investment Co., Inc. is an introducing broker, which clears all transactions on a fully disclosed basis with a clearing broker, Southwest Securities. Cunningham & Cunningham Investment Co., Inc. does not handle customer funds or securities. All customers are instructed to send funds or securities directly to Southwest Securities.



Gottfried E. Weber, CPA
February 10, 2004

CUNNINGHAM & CUNNINGHAM INVESTMENT CO., INC.
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
 OF THE SECURITIES AND EXCHANGE COMMISSION
 AS OF DECEMBER 31, 2003

NET CAPITAL

Total stockholders' equity	13,539
Deduct stockholders' equity not allowable for net capital	<u>none</u>

Total stockholders' equity qualified for net capital	13,539
--	--------

Additions

Liabilities allowable in computation of net capital	<u>0</u>
---	----------

Total capital and allowable liabilities	0
---	---

Deductions and/or charges

Non-allowable assets

Net capital before haircuts on security positions	0
Haircuts on securities	<u>0</u>

NET CAPITAL	13,539
-------------	--------

AGGREGATE INDEBTEDNESS

Items including statement of financial condition payable to stockholder	<u>0</u>
---	----------

Total aggregate indebtedness	0
------------------------------	---

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum Capital Required (Based on Net Indebtedness)	0
Minimum Net Capital Required	5,000

Excess Net Capital	8,539
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Excess Net Capital at 1000%	13,539
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Ratio: Aggregate indebtedness to net capital	0 to 1
--	--------

Cunningham & Cunningham Investment Co., Inc.

RECONCILIATION WITH COMPANY'S COMPUTATION

No material difference exists between company's calculations and above calculation; therefore, no reconciliation is provided.

INDEPENDENT AUDITOR'S REPORT

Board of Directors:
Cunningham & Cunningham Investment Co., Inc.

I have examined the financial statements of Cunningham & Cunningham Investment Co., Inc. for the year ended December 31, 2003 and have issued my report thereon dated February 10, 2004. As part of my examination, I made a study and evaluation of the Company's system on internal accounting control (which included the procedures for safeguarding securities) to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing, extent of the auditing procedures necessary for expressing an opinion on the financial statements.

Also, as required by Rule 17a-5(g) (1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practice and procedures) followed by Cunningham & Cunningham Investment Co., Inc. that I considered relevant to the objectives stated in Rule 17a-5(g). I 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)(ii) and the procedures for determining compliance with exemptive provisions of Rule 15c3-3. I 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 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 nor perform custodial functions relating to customer securities.

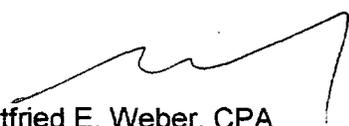
The management of the Company is responsible for establishing and maintaining a system of internal accounting controls and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control 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. The objectives of a system 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 accordance 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 limitation in any internal accounting control procedures or the practice and procedures referred to above, errors or irregularities may nevertheless 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 degree of compliance with them may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Cunningham & Cunningham Investment Co., Inc. taken as a whole. However, my study and evaluation disclosed no conditions that I believe to be a material weakness.

I 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission and should not be used for any other purpose.



Gottfried E. Weber, CPA
February 10, 2004