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

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OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

A

SEC FILE NUMBER
8-48366

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 09/30/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Passport Securities, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

1440 Chapin Ave., #330

(No. and Street)

Burlingame

California

94010

(City)

(State)

(Zip Code)

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

Anthony J. Negus, President

650-373-4710

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Vocker Kristofferson and Co.

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

1700 S. El Camino Real, #406

San Mateo

California

94402

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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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)

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OATH OR AFFIRMATION

I, Anthony J. Negus, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Passport Securities, Inc. 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
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).

SCHEDULE I

Passport Securities, Inc.
 Computation of Aggregate Indebtedness and
 Net Capital Under Rule 15c3-1
 September 30, 2003

NET CAPITAL

Total shareholders' equity	\$ 1,485,627
Deductions:	
Goodwill	109,021
Securities not readily marketable	100,000
Other assets	<u>81,145</u>
Total deductions	<u>290,166</u>
Net Capital before haircuts on securities positions	1,194,461
Less: Haircuts on securities	<u>(334,927)</u>
Net Capital	<u><u>\$ 859,534</u></u>

AGGREGATE INDEBTEDNESS

A.I. liabilities	
Payable to non-customers	103,587
Accounts payable	<u>54,694</u>
Total aggregate indebtedness	<u><u>\$ 158,281</u></u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT,

minimum net capital required (6-2/3% of aggregate indebtedness or \$5,000, whichever is greater) \$ 10,557

EXCESS NET CAPITAL \$ 848,977

RATIO OF AGGREGATE INDEBTEDNESS TO
 NET CAPITAL

0.18 to 1

No reconciliation with the Company's computation included in Part IIA (Unaudited) of Form X-17A-5 as of September 30, 2003 is necessary as no material differences exist.

See accompanying notes to financial statements.