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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8-48547

**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 01/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Lewis Young Robertson & Burningham Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

136 E. South Temple, Suite 100

(No. and Street)

Salt Lake City, Utah 84111

(City)

(State)

(Zip Code)

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

Scott J. Robertson

(801) 596-0700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Jones Simpkins

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

1011 West 400 North, Suite 100, Logan, Utah 84323-0747

(Address)

(City)

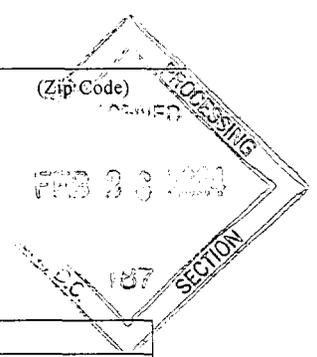
(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
MAR 05 2004  
THOMSON FINANCIAL



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\*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)

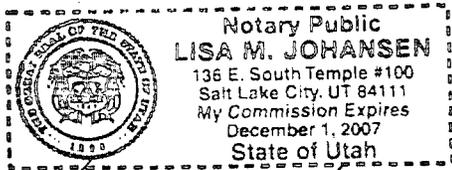
SEC 1410 (06-02)

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Handwritten initials/signature

OATH OR AFFIRMATION

I, Scott J. Robertson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lewis Young Robertson & Burningham, as of February 25, 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:



[Signature]

Signature

Principal

Title

[Signature]  
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).

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

FINANCIAL STATEMENTS and  
SUPPLEMENTARY INFORMATION

December 31, 2003 and 2002

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

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**Certified Public Accountants**

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**OFFICERS:**

*Paul D. Simkins, CPA  
Michael C. Kidman, CPA, MBA  
Brent S. Sandberg, CPA  
Brett C. Hugie, CPA  
Mark E. Low, CPA*

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders of  
Lewis Young Robertson & Burningham, Inc.

We have audited the accompanying balance sheets of Lewis Young Robertson & Burningham, Inc. as of December 31, 2003 and 2002, and the related statements of operations, stockholders' equity, and cash flows for the years 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 audits.

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 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 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 of Lewis Young Robertson & Burningham, Inc. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedule 1 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.

*Jones Simkins, P.C.*

JONES SIMKINS, P.C.

Logan, Utah

February 17, 2004

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

BALANCE SHEETS

December 31, 2003 and 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
Current assets:		
Cash	\$ 264,216	298,829
Investments	4,885	4,885
Accounts receivable	69,871	76,160
Prepaid income taxes	22,120	18,884
Total current assets	<u>361,092</u>	<u>398,758</u>
Property and equipment, net	108,547	130,639
Cash surrender value of life insurance	35,491	31,624
Investments	-	20,100
Other assets	5,394	5,394
Total assets	<u>\$ 510,524</u>	<u>586,515</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Payables	\$ 172,852	150,650
Current portion of long-term debt	20,065	25,556
Current portion of deferred income taxes	24,000	23,000
Total current liabilities	<u>216,917</u>	<u>199,206</u>
Deferred income taxes	12,000	25,000
Long-term debt	19,277	40,055
Total liabilities	<u>248,194</u>	<u>264,261</u>
Stockholders' equity:		
Common stock, \$1 par value, 50,000 shares authorized, 4,500 and 4,500 shares issued and outstanding, respectively	4,500	4,500
Additional paid-in capital	98,057	137,657
Notes receivable from stock sales	(17,609)	(57,209)
Retained earnings	177,382	237,306
Total stockholders' equity	<u>262,330</u>	<u>322,254</u>
Total liabilities and stockholders' equity	<u>\$ 510,524</u>	<u>586,515</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
STATEMENTS OF OPERATIONS  
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues:		
Financial advisory fees	\$ 1,426,237	1,625,856
Consulting fees	383,993	324,477
Other	89,853	11,329
	<u>1,900,083</u>	<u>1,961,662</u>
Costs and expenses:		
General and administrative expenses	1,942,926	1,896,639
Interest expense	8,981	6,578
Loss on investments	20,100	-
	<u>1,972,007</u>	<u>1,903,217</u>
Income (loss) before income taxes	(71,924)	58,445
Provision (benefit) for income taxes	<u>(12,000)</u>	<u>30,000</u>
Net income (loss)	\$ <u><u>(59,924)</u></u>	<u><u>28,445</u></u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
STATEMENTS OF STOCKHOLDERS' EQUITY  
Years Ended December 31, 2003 and 2002

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Notes Receivable From Stock Sales</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balance at January 1, 2002	2,333	\$ 2,333	\$ 68,313	\$ -	\$ 208,861	\$ 279,507
Collection of notes receivable	-	-	-	14,302	-	14,302
Issuance of common stock for notes receivable	2,167	2,167	69,344	(71,511)	-	-
Net income	-	-	-	-	28,445	28,445
Balance at December 31, 2002	4,500	4,500	137,657	(57,209)	237,306	322,254
Forgiveness of notes receivable	-	-	(39,600)	39,600	-	-
Net loss	-	-	-	-	(59,924)	(59,924)
Balance at December 31, 2003	<u>4,500</u>	<u>\$ 4,500</u>	<u>\$ 98,057</u>	<u>\$ (17,609)</u>	<u>\$ 177,382</u>	<u>\$ 262,330</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<u>Cash flows from operating activities:</u>		
Net income (loss)	\$ (59,924)	28,445
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	30,851	32,224
Deferred income taxes	(12,000)	14,000
Loss on investments	20,100	-
(Increase) decrease in:		
Investments	-	(110)
Accounts receivable	6,289	(7,190)
Prepaid income taxes	(3,236)	(18,884)
Increase in payables	22,202	35,591
Net cash provided by operating activities	<u>4,282</u>	<u>84,076</u>
 <u>Cash flows from investing activities:</u>		
Change in cash surrender value of life insurance	(3,867)	3,978
Purchase of property and equipment	<u>(8,759)</u>	<u>(46,509)</u>
Net cash used in investing activities	<u>(12,626)</u>	<u>(42,531)</u>
 <u>Cash flows from financing activities:</u>		
Payments on related party payable	-	(42,000)
Collection of notes receivable from stock sales	-	14,302
Payments on long-term debt	<u>(26,269)</u>	<u>(29,404)</u>
Net cash used in financing activities	<u>(26,269)</u>	<u>(57,102)</u>
 Net decrease in cash	(34,613)	(15,557)
 Cash, beginning of year	<u>298,829</u>	<u>314,386</u>
Cash, end of year	<u>\$ 264,216</u>	<u>298,829</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Lewis Young Robertson & Burningham, Inc., (the Company) was incorporated under the laws of the state of Utah on July 6, 1995. The Company provides financial and consulting services to local governmental and other entities.

Concentration of Credit Risk

The Company maintains its cash in bank accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Company's customer base consists primarily of local governmental agencies. Management does not believe significant credit risk exists at December 31, 2003.

Investments

The Company classifies its investments at fair value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation and amortization on property and equipment and capital leases is determined using the straight-line method over the estimated useful lives of the assets or terms of the lease which range from 5 to 7 years. Expenditures for maintenance and repairs are expensed when incurred and betterments are capitalized.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

Deferred income taxes are provided in amounts sufficient to give effect to temporary differences between financial and tax reporting, principally related to the use of the cash method of accounting for income tax purposes and accelerated depreciation and amortization.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts may differ from these estimates.

Note 2 – Investments

Investments are recorded at fair value and consist of the following:

	<u>2003</u>	<u>2002</u>
Investments, at cost	\$ 20,910	20,910
Loss on investments	(20,100)	-
Unrealized holding gain	<u>4,075</u>	<u>4,075</u>
Investments, at fair value	4,885	24,985
Current portion	<u>(4,885)</u>	<u>(4,885)</u>
	\$ <u><u>-</u></u>	<u><u>20,100</u></u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 3 – Detail of Certain Balance Sheet Accounts

Payables consist of the following:

	<u>2003</u>	<u>2002</u>
Accounts payable	\$ 3,444	12,500
Pension payable	<u>169,408</u>	<u>138,150</u>
	\$ <u>172,852</u>	<u>150,650</u>

Note 4 – Property and Equipment

Property and equipment consists of the following:

	<u>2003</u>	<u>2002</u>
Furniture and fixtures	\$ 117,264	117,264
Computer equipment	144,693	135,934
Leasehold improvements	<u>13,414</u>	<u>13,414</u>
	275,371	266,612
Less accumulated depreciation and amortization	<u>(166,824)</u>	<u>(135,973)</u>
	\$ <u>108,547</u>	<u>130,639</u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 5 – Long-term Debt

Long-term debt consists of the following:

	<u>2003</u>	<u>2002</u>
Note payable to a bank in monthly installments of \$922 including interest at 8.25%, secured by equipment and maturing in 2006	\$ 24,192	32,754
Note payable to a bank in monthly installments of \$429 including interest at 7.75%, secured by equipment and maturing in 2005	9,122	13,725
Note payable to a bank in monthly installments of \$630 including interest at 8.25%, secured by equipment and maturing in 2004	6,028	12,787
Capital lease obligations	<u>-</u>	<u>6,345</u>
	39,342	65,611
Less current portion	<u>(20,065)</u>	<u>(25,556)</u>
Long-term debt	\$ <u>19,277</u>	<u>40,055</u>

Future maturities of long-term debt at December 31, 2003 are as follows:

<u>Year</u>	<u>Amount</u>
2004	\$ 20,065
2005	14,759
2006	<u>4,518</u>
	\$ <u>39,342</u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 6 – Lease Obligations

The Company leases office space under a noncancellable operating lease agreement, which expires in 2007. Future minimum rental payments for this noncancellable operating lease at December 31, 2003 are as follows:

<u>Year</u>	<u>Amount</u>
2004	\$ 64,229
2005	66,230
2006	68,078
2007	<u>5,686</u>
	<u>\$ 204,223</u>

Rental expense on the operating lease for the years ended December 31, 2003 and 2002 was approximately, \$72,000 and \$59,000, respectively.

Note 7 – Income Taxes

The provision (benefit) for income taxes for the years ended December 31, consists of the following:

	<u>2003</u>	<u>2002</u>
Current	\$ -	(18,000)
Deferred	<u>(12,000)</u>	<u>48,000</u>
	<u>\$ (12,000)</u>	<u>30,000</u>

The provision for income taxes is different from the amounts computed at federal statutory rates for the following reasons:

	<u>2003</u>	<u>2002</u>
Federal and state tax at statutory rates	\$ (20,000)	22,000
Meals and entertainment	4,000	4,000
Insurance	<u>4,000</u>	<u>4,000</u>
	<u>\$ (12,000)</u>	<u>30,000</u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 7 – Income Taxes (continued)

Deferred tax assets (liabilities) at December 31, consist of the following:

	<u>2003</u>	<u>2002</u>
Depreciation	(19,000)	(25,000)
Unrealized holding gain	(1,000)	(1,000)
Loss on investments	7,000	-
Revenue recognition	(23,000)	(22,000)
Net deferred tax liability	\$ (36,000)	(48,000)

Presented in the financial statements as follows:

	<u>2003</u>	<u>2002</u>
Current portion of deferred income taxes	\$ (24,000)	(23,000)
Deferred income taxes	(12,000)	(25,000)
	\$ (36,000)	(48,000)

Note 8 – Notes Receivable from Stock Sales

During the year ended December 31, 2002, the Company issued 2,167 shares of common stock in exchange for notes receivable. The notes are from the Company's officers, are payable in annual aggregate installments of \$14,302 and mature in 2006. One of the notes bears interest at 6%, the other three notes are non interest bearing. During the year ended December 31, 2003, the Company waived the remaining balance on the three non-interest bearing notes of \$39,600.

Note 9 – Profit Sharing Plan

The Company has adopted a profit sharing plan for all employees who qualify as to age and service. The Company's contribution expense was approximately \$169,000 and \$138,000 for the years ended December 31, 2003 and 2002, respectively.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 10 – Supplemental Cash Flow Information

During the year ended December 31, 2003:

- The Company waived \$39,600 of the notes receivable issued for 1,500 shares of common stock.

During the year ended December 31, 2002:

- The Company issued 2,167 shares of common stock in exchange for notes receivable of \$71,511.
- The Company acquired equipment in exchange for long-term debt of \$51,225.

Actual amounts paid for interest and income taxes for the years ended December 31 are as follows:

	<u>2003</u>	<u>2002</u>
Interest	\$ <u>8,981</u>	<u>6,578</u>
Income taxes	\$ <u>2,230</u>	<u>38,687</u>

Note 11 – Financial Instruments

The Company's financial instruments consist of cash, receivables, payables and long-term debt. The carrying amount of cash, receivables and payables approximates fair value because of the short-term nature of these items. The carrying amount of the long-term debt approximates fair value as the individual borrowings bear interest at market interest rates.

Note 12 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital, and also requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. For 2003 and 2002, the Company's minimum net capital requirement was \$5,000.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

Note 13 – Changes in Stockholder’s Equity Accounts and Liabilities Subordinated to Claims of General Creditors

During the year ended December 31, 2002, the company issued 2,167 shares of common stock to the shareholders in exchange for notes receivable (see Note 8). During the year ended December 31, 2003, the company waived \$39,600 of these same notes.

Note 14 – Recent Accounting Pronouncements

In December 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 148, Accounting for Stock Based Compensation - Transition and Disclosure, an Amendment to SFAS 123 (SFAS 148). The new guidance provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Statement is effective for fiscal years ending after December 15, 2002 for transition guidance and annual disclosure provisions. This statement is not expected to have a material effect on the Company’s financial position or results of operations.

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging (SFAS 149). This Statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS 133. The Statement is effective (with certain exceptions) for contracts entered into or modified after June 30, 2003. This statement is not expected to have a material effect on the Company’s financial position or results of operations.

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity (SFAS 150). The Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. The Statement is effective for financial instruments entered into or modified after May 31, 2003. This statement is not expected to have a material effect on the Company’s financial position or results of operations.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

December 31, 2003

Schedule 1

Net capital	\$ 262,330
Less nonallowable assets	<u>(171,552)</u>
Net capital before haircuts on securities positions	90,778
Haircuts on securities - investments	<u>(733)</u>
Net capital	<u>\$ 90,045</u>
Minimum net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$ 85,045</u>
Net capital @ 1000% (Net capital - 10% of aggregate indebtedness)	<u>\$ 65,226</u>
Ratio of aggregate indebtedness to net capital	<u>2.8 to 1</u>



**Certified Public Accountants**

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Logan, UT 84323-0747  
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Fax: (435) 752-4878

**OFFICERS:**

*Paul D. Simkins, CPA  
Michael C. Kidman, CPA, MBA  
Brent S. Sandberg, CPA  
Brett C. Hugie, CPA  
Mark E. Low, CPA*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED BY SEC RULE 17a-5**

To the Board of Directors of  
Lewis Young Robertson & Burningham, Inc.

In planning and performing our audit of the financial statements and supplemental schedule of Lewis Young Robertson & Burningham, Inc. (the "Company"), for the year ended December 31, 2003, we considered its internal control, 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.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company 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 and net capital under rule 17a-3(a)(11) and for 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 internal control 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 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 SEC's above-mentioned objectives. Two of the objectives of internal control 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 limitations in any internal control 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 would not necessarily disclose all matters in internal control 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 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 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 SEC 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 December 31, 2003, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Jones Simkins, P.C.*

JONES SIMKINS, P.C.

Logan, Utah

February 17, 2004