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

SEC FILE NUMBER
8- 48382

**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: Greenberg Financial Group, Inc.

OFFICIAL USE ONLY
38747
FIRM I.D. NO.

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

4511 N. Campbell Ave., Suite 225

(No. and Street)

Tucson

(City)

AZ

(State)

85718

(Zip Code)

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

Dean Greenberg

520-544-4909

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Roberts & Associates, P.L.L.C.

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

1610 E. River Road - 118

(Address)

Tucson

(City)

AZ

(State)

85718

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 17 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)

SEC 1410 (06-02)

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3/16/04

OATH OR AFFIRMATION

I, Dean Greenberg, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Greenberg Financial Group, Inc., as of December 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:

N/A



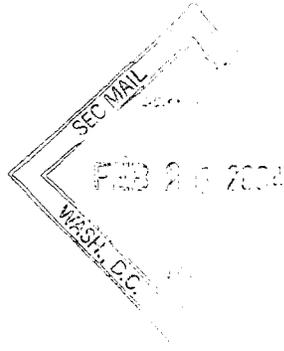
Trish Ann Hockenbury
Notary Public

[Signature]
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. Cash Flows
- (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).



GREENBERG FINANCIAL GROUP, INC.

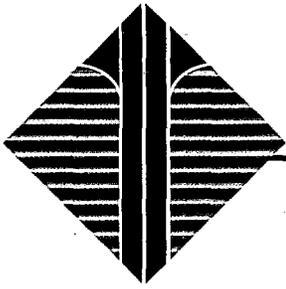
Audited Financial Statements and
Supplementary Information

For the year ended December 31, 2003

GREENBERG FINANCIAL GROUP, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greenberg Financial Group, Inc.

We have audited the accompanying statement of financial condition of Greenberg Financial Group, Inc. (the Company) (an S Corporation) as of December 31, 2003 and the related statements of operations, changes in stockholders' 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 Greenberg Financial Group, Inc. at December 31, 2003, and the results of its 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 on Page 12 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.

Roberts & Associates PLLC

January 23, 2004

GREENBERG FINANCIAL GROUP, INC.

STATEMENT OF FINANCIAL CONDITION
December 31, 2003ASSETS

Cash and cash equivalents	\$ 52,363
Receivable from broker-dealer	16,201
Due from stockholder	5,746
Employee advances	1,875
Property and equipment, net of accumulated depreciation of \$87,168	126,929
Investments	20,100
Deposits and other assets	63,737
Dain Rauscher correspondence deposit	35,000
Total current assets	<u>\$ 321,951</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$ 42,280
Accrued payroll and related taxes	4,861
Pension plan payable	16,454
Capital lease payable	19,958
Total liabilities	<u>83,553</u>
Stockholders' equity:	
Common stock, no par value; 1,000,000 shares authorized, 10,000 shares issued and outstanding	387,319
Accumulated deficit	(148,921)
Total stockholders' equity	<u>238,398</u>
Total liabilities and stockholders' equity	<u>\$ 321,951</u>

See independent auditors' report and notes to financial statements.

GREENBERG FINANCIAL GROUP, INC.

STATEMENT OF OPERATIONS
For the year ended December 31, 2003

Revenues:	
Management and investment advisory fees	\$ 1,001,317
Commission income	474,808
Broker-dealer fees	101,669
Interest income	981
Total revenues	<u>1,578,775</u>
Operating expenses:	
Employee compensation and benefits	883,415
Floor brokerage, exchange and clearance fees	151,403
Advertising, promotion and seminars	129,087
Occupancy costs	118,047
Office expenses	85,294
Professional and consulting fees	79,421
Quotation services and communications	56,038
Interest expense	5,940
Total operating expenses	<u>1,508,645</u>
Net income	<u>\$ 70,130</u>

See independent auditors' report and notes to financial statements.

GREENBERG FINANCIAL GROUP, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the year ended December 31, 2003

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2002	10,000	\$ 10,000	\$ 377,319	\$ (219,051)	\$ 168,268
Prior period adjustment		377,319	(377,319)		-
Balance restated, December 31, 2002	10,000	387,319	-	(219,051)	168,268
Net income				70,130	70,130
Balance, December 31, 2003	10,000	\$ 387,319	\$ -	\$ (148,921)	\$ 238,398

See independent auditors' report and notes to financial statements.

GREENBERG FINANCIAL GROUP, INC.

STATEMENT OF CASH FLOWS
For the year ended December 31, 2003

Cash flows from operating activities:	
Net income	\$ 70,130
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	22,949
Changes in operating assets and liabilities:	
Accounts receivable	27,860
Due from stockholder	1,562
Employee advance	(625)
Prepaid expense	7,604
Deposits and other assets	(24,522)
Accounts payable	35,118
Accrued payroll and related taxes	(12,806)
Pension plan payable	1,010
Total adjustments	<u>58,150</u>
Net cash provided by operating activities	128,280
Cash flows from investing activities:	
Purchases of property and equipment	<u>(8,196)</u>
Net cash used in investing activities	(8,196)
Cash flows from financing activities:	
Repayment on line of credit	(45,000)
Repayment of capital lease payable	<u>(26,393)</u>
Net cash used in financing activities	<u>(71,393)</u>
Net increase in cash and cash equivalents	48,691
Cash and cash equivalents, beginning of year	<u>3,672</u>
Cash and cash equivalents, end of year	<u>\$ 52,363</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ 5,940</u>

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization

Greenberg Financial Group, Inc. (the Company) incorporated under the laws of the State of Arizona in 1998. The Company also elected Subchapter S Status for income tax purposes. The Company originally operated as a limited liability company and has been an investment advisory firm since its inception in 1995. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of various exchanges and the National Association of Securities Dealers (NASD).

The Company executes all of its brokerage transactions through a third party clearinghouse and does not have possession of any of its clients' investment accounts.

2. Summary of Significant Accounting PoliciesCash and Cash Equivalents

The Company considers all investments that mature within three months of purchase to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Investment Advisory Income

Investment advisory fees are received quarterly but are recognized as earned over the term of the contract. The Company collects its investment advisory fees on the first day of a quarter in advance. Management considers all receivables as fully collectible as each customer has agreed that the Company can withdraw the investment advisory fees from their brokerage accounts on a quarterly basis, therefore no allowance for doubtful accounts is considered necessary.

Investments

Investments are comprised of 1,500 warrants to purchase shares of The Nasdaq Stock Market, Inc. at escalating values expiring June 27, 2006. Presently, the fair value of the stock is below the exercise price of the warrants. The Company expects the fair value of the stock will exceed the exercise price before maturity. Accordingly investments are carried at original cost.

Commissions

Commissions and other related clearing expenses are recorded on a trade-date basis as the securities transactions occur.

Income Taxes

The Company is an S Corporation. Income, loss, deductions and credits pass through to the Company's shareholders and are taxed at the stockholders' individual income tax rates. Therefore, the financial statements do not include a provision for income taxes.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, ContinuedProperty, Equipment and Depreciation

Property and equipment are stated at cost. The cost of maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. Renewals and betterments that materially extend the life of an asset are capitalized. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of income and retained earnings. Depreciation for financial reporting purposes is computed using straight-line and accelerated methods over the following estimated useful lives of the various classes of assets:

Office equipment	5-7 years
Office furniture	7-10 years
Leasehold improvements	7-10 years

Advertising Costs

The cost of advertising is expensed as incurred. The Company does not participate in direct response advertising. The Company incurred \$75,859 of advertising costs during the year ended December 31, 2003.

3. Property and Equipment

The following is a summary of property and equipment:

Office equipment	\$ 88,420
Office furniture	29,235
Leasehold improvements	<u>96,442</u>
Total property and equipment, at cost	214,097
Less accumulated depreciation	<u>(87,168)</u>
Net property and equipment	<u>\$ 126,929</u>

Depreciation expense was \$22,949 for the year ended December 31, 2003.

4. Due from Stockholder

Due from stockholder, representing advances to stockholder, are non-interest bearing and due on demand.

5. Line of Credit

The Company has a \$100,000 line of credit with a bank. The line of credit provides borrowing at prime rate plus .50% through April 24, 2004. The prime rate as of December 31, 2003 was 4.0%. The majority shareholder of the Company guarantees the line of credit. There was \$0- outstanding on the line of credit at December 31, 2003.

6. Capital Lease

The Company leases office equipment and furniture through a capital lease. The capital lease requires monthly payments of \$2,654 through August 2004, including interest of 16.7%. Lease payments totaled \$26,090 for the year ended December 31, 2003. The total value of the office equipment and furniture included in the capital lease was \$83,045. The Company recorded depreciation expense of \$9,921 relating to these assets for the year ended December 31, 2003.

The future minimum payments due under this capital lease are \$19,958 for 2004, none thereafter.

NOTES TO FINANCIAL STATEMENTS

7. CommitmentsLeases

The Company leases office space under a non-cancelable operating lease through September 2011. The lease agreement provides for a renewal option and requires payment of maintenance and insurance. Rent expense on this operating lease was \$108,627 for the year ended December 31, 2003.

On September 1, 2001, the Company entered into a master lease with an LLC owned by its majority shareholder. The lease provides for rental of the entire building occupied by the Company through September 1, 2011. In connection with that lease, the Company entered into a sub-lease with an unrelated party. The sub-lease provides for lease of approximately 9% of the building through September 1, 2011. Both the lease and sub-lease provide for operating cost reimbursements in excess of base year expenses. The Company received \$26,339 under this sub-lease during the year ended December 31, 2003.

Future minimum rental payments due under the master lease and sub-lease at December 31, 2003 are:

<u>Year ending December 31,</u>	<u>Master Lease</u>	<u>Sub-Lease</u>	<u>Net Rental Commitment</u>
2004	\$ 106,567	\$ 27,851	\$ 78,716
2005	108,867	29,295	79,572
2006	111,167	29,914	81,253
2007	113,467	30,533	82,934
2008	115,767	31,152	84,615
Thereafter	319,700	86,028	233,672
Total commitments	<u>\$ 875,535</u>	<u>\$ 234,773</u>	<u>\$ 640,762</u>

8. Related Party TransactionsOfficers/Shareholders

Each of the Company's eight shareholders execute their personal investment trades through the Company.

The Company purchases its advertising media services from an agency owned by the majority shareholder's spouse. The amount paid to this agency was \$73,317 for the year ended December 31, 2003.

The Company leases its office space from a related party as described in footnote 7.

9. Retirement Plan

On January 1, 2000, the Company adopted the Greenberg Financial Group 401(k) Profit Sharing Plan. The Plan is offered to employees at least 21 years of age with more than six months of service. Contributions under the Plan are discretionary and are determined annually by the Company's Board of Directors. The Company funded \$16,454 to the Plan for the year ended December 31, 2003.

NOTES TO FINANCIAL STATEMENTS

10. RisksConcentrations

The Company conducts most of its business with residents of Southern Arizona and could be materially affected by fluctuations in that geographic area as well as changes in the stock market.

The Company maintains its cash balances in financial institutions in Tucson, Arizona. The Federal Deposit Insurance Corporation insures the Company's cash balances up to \$100,000. At December 31, 2003, the Company's uninsured balance totaled \$45,256.

Lawsuits and Professional Liability Insurance

During 2002, the Company had four lawsuits filed against it and the majority stockholder alleging principally that unsuitable investments were recommended and that they resulted in portfolio losses. The losses were incurred at a time when the general market conditions were in a decline. The Company and its counsel believed the cases were without merit and defended them vigorously during 2003. Three of the suits were resolved favorably during 2003. The last suit was resolved in February 2004 (Note 15 Subsequent Event).

While subject to the pending litigation, the Company was denied professional liability insurance. In order to mitigate the potential of future lawsuits, the Company has since implemented the MAP program to provide improved documentation of the client's knowledge of and the Company's adherence to the investment objectives laid out by the client. The improved documentation of the understanding with the client is expected to minimize these types of litigation. The Company expects to place professional liability insurance now that the pending suits are all resolved.

11. Shareholders' Agreement

The Company has a shareholders' agreement of which key provisions include:

Shareholders must have disclosed to them in advance any proposed employment or independent contractor relationships with persons or companies related to any shareholder and the Company. If the required disclosures are not made, the Company may demand a refund of all monies paid to such related party.

If a shareholder desires to sell their shares of stock in the Company, the Company has the first option to purchase the shares and the remaining shareholders have second option to purchase.

In the event of the death of a minority shareholder, the Company shall have first option to purchase the shares owned from the beneficiaries at a price of 125% of the book value. The remaining shareholders shall have the second option to purchase the shares at the same price.

The Company shall pay for \$1 million of insurance on the life of the manager (the majority shareholder) with proceeds payable to his spouse. Upon the death of the majority shareholder, his spouse must relinquish 30% of the stock owned to the Company. The Company must also pay the spouse any differential arising from value of the surrendered stock in excess of the life insurance proceeds. A current employee, if full-time at the time of manager's death, shall have the first option to purchase this 30% interest at the amount paid to the spouse, with terms to be not less than five years with interest of not less than prime plus 1%.

In the event of the death of the majority shareholder-manager, the Company shall be obligated to continue paying 50% of his compensation at that time to the spouse until she reaches age 65. The Company will also be obligated to pay for all expenses associated with providing a college education to the manager's children through doctorate degrees.

NOTES TO FINANCIAL STATEMENTS

12. Net Capital Requirements

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934. Broker-dealers must maintain minimum net capital requirements. The Company computes its net capital using the aggregate indebtedness standard method with the minimum requirement provided for broker-dealers that conduct all customer transactions through another broker-dealer on a fully disclosed basis. Minimum net capital of \$5,000 or 1/15th of the aggregate indebtedness (whichever is greater) is required. At December 31, 2003, the Company had net capital of \$83,348, which was \$77,778 in excess of its required net capital of \$5,570. The Company's net capital ratio was 1.002 to 1.000.

13. Financial Instruments With Off Balance Sheet Risk

The Company introduces all customer transactions in securities traded on U.S. securities markets to another New York Stock Exchange member firm on a fully-disclosed basis. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to non-performance by customers or counter parties.

The Company's exposure to credit risk associated with the non-performance of customers and counter parties in fulfilling their contractual obligations pursuant to these securities transactions can be directly impacted by volatile trading markets which may impair the customer's or counter party's ability to satisfy their obligations to the Company. In the event of non-performance, the Company may be required to purchase or sell financial instruments at unfavorable market prices resulting in a loss to the Company. The Company does not anticipate non-performance by customers and counter parties in the above situations.

The Company seeks to control the aforementioned risks by requiring customers or counter parties to maintain margin collateral in compliance with various regulatory requirements, the clearing broker's guidelines and industry standards. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral, or to reduce positions, when necessary.

14. Prior Period Adjustment

Additional paid-in capital represents capital in excess of legal capital. The Company's stock does not have a par or stated legal value. Amounts previously reported as additional paid-in capital are reclassified to common stock.

15. Subsequent EventLitigation

The Company and its majority stockholder settled a dispute with a minority stockholder. The Company paid nothing to the minority stockholder and the minority stockholder agreed to pay the Company \$15,000 and to return their stock to the Company and its majority stockholder.

SUPPLEMENTARY INFORMATION

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2003

Net capital	
Total stockholders' equity	\$ 238,398
Deductions and/or changes:	
Non-allowable assets:	
Employee advances	(1,875)
Due from stockholder and non-customer	(5,746)
Non-indebted property and equipment, net	(126,929)
Nonmarketable securities	(20,100)
Deposits and other assets	(400)
Net capital	<u>83,348</u>
Minimum net capital required (6 2/3% of aggregate indebtedness)	<u>5,570</u>
Net capital excess	<u>\$ 77,778</u>
Net capital excess at 1000%	<u>\$ 74,993</u>
Computation of Aggregate Indebtedness:	
Total aggregate indebtedness liabilities from Statement of Financial Condition	<u>\$ 83,553</u>
Ratio: Aggregate indebtedness to net capital	<u>1.002 to 1.000</u>
Reconciliation with Company's computation reported on Part II of Form X-17A-5 as of December 31, 2003:	
Net capital, as reported in Company's (unaudited) FOCUS report	\$ 102,513
Difference due to treatment of capital lease beyond two years	(10,310)
Audit adjustments:	
Cash surrender value of life insurance	3,207
Accounts payable	(12,724)
Capital lease	662
Net capital per above	<u>\$ 83,348</u>
Aggregate indebtedness, as reported in Company's (unaudited) FOCUS report	\$ 61,181
Difference due to treatment of capital lease beyond two years	10,310
Audit adjustments:	
Accounts payable	12,724
Capital lease	(662)
Aggregate indebtedness per above	<u>\$ 83,553</u>

Supplementary Information.
See Independent Auditors' Report.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

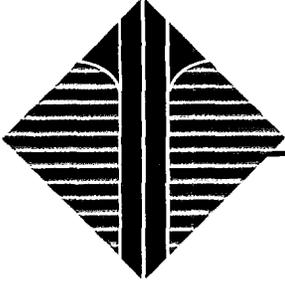
To the Board of Directors
Greenberg Financial Group, Inc.

In planning and performing our audit of the financial statements and supplementary information of Greenberg Financial Group, Inc. (the Company), for the year ended December 31, 2003, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on internal control.

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 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 aggregated indebtedness (or aggregate debits) 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 controls 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3, Continued

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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 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 components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including control activities 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 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 information and use of the Board of Directors, management, the SEC, NASD 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.

Roberts & Associates PLLC

January 23, 2004