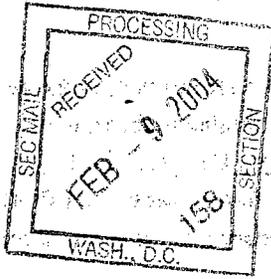


**AA 2/11/04



COMMISSION 1549

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden hours per response: 12.00

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

SEC FILE NUMBER
8-30673

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: First Liberties Securities, Inc.
D7B7A First Liberties Financial

OFFICIAL USE ONLY
FIRM I.D. NO.

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

8211 Fifth Avenue

(No. and Street)

Brooklyn

(City)

New York

(State)

11209

(Zip Code)

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

Harvey Reichenthal

(718) 748-3250

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Milton Biron

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

240 9th Street

(Address)

Lakewood

(City)

New Jersey

(State)

08701

(Zip Code)

CHECK ONE:

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

PROCESSED
FEB 20 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)

082-14

OATH OR AFFIRMATION

I, Harvey Reichenthal, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Liberties Securities, Inc. D/B/A First Liberties Financial, as of January 30, 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:

MARTHA SIGNORILE
Notary Public, State of New York
Qualified in Kings County
No. 0184607083
Commission Expires Oct. 31, 2006

Harvey Reichenthal
Signature

President
Title

Martha Signorile
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)

FIRST LIBERTIES SECURITIES
D/B/A
FIRST LIBERTIES FINANCIAL

FINANCIAL STATEMENT
JANUARY 1, 2003- DECEMBER 31,2003

MILTON BIRON
CERTIFIED PUBLIC ACCOUNTANT
240 9TH STREET
LAKEWOOD, NEW JERSEY 08701

FIRST LIBERTIES SECURITIES, INC.
D/B/A/ FIRST LIBERTIES FINANCIAL
FINANCIAL STATEMENTS

INDEX

	PAGE
Financial Statements	1
Index	2
Accountants Audit Report	3
Statement of Financial Position	4
Statement of Operations	5
Statement of Retained Earnings	6
Statement of Cash Flow	7
Notes to financial Statement	8-9
Information relating to the Possession or Control Requirements	10
Computation of Net Capital	11
Computation for Determination of Reserve	12
Stockholders Equity	13
Reconciliation between Net Capital and 15c3-3 Reserve Requirements	13
Statement of the adequacy of the accounting system	13

MILTON BIRON
CERTIFIED PUBLIC ACCOUNTANT
240 9TH STREET
LAKEWOOD, NEW JERSEY 08701

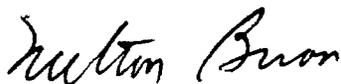
732-363-2893

First Liberties Securities, Inc.
D/B/A First Liberties Financial
8211 5th Avenue
Brooklyn, New York 11209

I have examined the statement of financial position of First Liberties Securities, Inc. as of December 31, 2003 and the related statements of operations, retained earnings, and statement of changes in financial position for the period Jan. 1, 2003 to December 31, 2003. My examination was made in accordance with generally accepted auditing standards and, accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the financial position of First Liberties Securities, Inc. and changes in financial position, as of December 31, 2003 and the results of its operations for the period then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the examination of the basic financial statements, and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Milton Biron
Certified Public Accountant
Lakewood, New Jersey 08701
January 30, 2004

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

ASSETS

CURRENT ASSETS

Cash	12,730
Commissions Receivable (Note 2)	3,875
Interest Receivable	73
Marketable Securities at Market Value (Note 3)	<u>334,193</u>

Total Current Assets	350,871
----------------------	---------

PROPERTY, PLANT, AND EQUIPMENT, net of
Accumulated Depreciation of 3,015 (Note 4)

0

<u>OTHER ASSET</u> -- Deposit (Note 5)	<u>25,000</u>
--	---------------

TOTAL ASSETS	<u>375,871</u>
--------------	----------------

LIABILITIES & EQUITY

CURRENT LIABILITIES

Accounts Payable	164,402
------------------	---------

Total Current Liabilities	<u>164,402</u>
---------------------------	----------------

EQUITY

Common Stock (1,000 shares par \$10.00 authorized, issued and outstanding)	10,000
Additional Paid In Capital	25,000
Retained Earnings	<u>176,469</u>

Total Equity	211,469
--------------	---------

TOTAL LIABILITIES & EQUITY	<u>375,871</u>
----------------------------	----------------

SEE ACCOUNTANT'S EXAMINATION REPORT AND
ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
STATEMENTS OF OPERATIONS
TWELVE MONTHS ENDED DECEMBER 31, 2003

<u>INCOME</u>	109,791
<u>COSTS AND EXPENSES</u>	
Corporate taxes	1,366
Commissions	38,049
Promotions	3,145
Repairs & maintenance	2,580
Margin interest	392
Bank charges	1
Licenses & Fees	2,130
Insurance	15,915
Communications	6,625
Utilities	2,580
Rent	10,086
Office	2,387
Professional	825
Postage	129
	<u> </u>
	<u> </u>
Total Costs and Expenses	<u>86,210</u>
<u>NET INCOME</u>	<u>23,581</u>

SEE ACCOUNTANT'S EXAMINATION REPORT AND
ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
STATEMENT OF RETAINED EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 2003

<u>RETAINED EARNINGS</u> , December 31, 2002	<u>152,888</u>
NET PROFIT OR (LOSS)	23,581
<u>RETAINED EARNINGS</u> , December 31, 2003	<u>176,469</u>

SEE ACCOUNTANT'S EXAMINATION REPORT AND
ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
STATEMENT OF CASH FLOW
DECEMBER 31, 2003

SOURCES OF FUNDS

Net Income 23,581

USES OF FUNDS

0

NET INCREASE IN WORKING CAPITAL

23,581

CHANGES IN WORKING CAPITAL BY COMPONENT

CURRENT ASSETS INCREASE (DECREASE)

Cash (18,147)

Commissions Receivable (1,732)

Marketable Securities 101,607

Total Change in Current Assets 61,630

CURRENT LIABILITIES (INCREASE) DECREASE

Accounts Payable 38,049

Total Change in Current Liabilities 38,049

NET CHANGE IN WORKING CAPITAL

23,581

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31,2003

NOTE 1- ACCOUNTING POLICIES

A summary of significant accounting policies follows:

THE COMPANY- First Liberties Securities, Inc. was incorporated in New York State on October 5, 1983. The corporation is 100 % owned by Harvey Reichenthal. The firm's major activity is Investment Brokerage.

MARKETABLE SECURITIES- Marketable securities are valued at the lower of cost or market value.

METHOD OF ACCOUNTING- The accompanying financial statements are prepared on the accrual basis of accounting.

ALLOWANCE FOR BAD DEBTS- Since its inception the company has not had any bad debts.

NOTE 2 - COMMISSIONS RECEIVABLE

The commissions receivable represent monies due from various customers. None of the receivables were greater than thirty days old.

NOTE 3- MARKETABLE SECURITIES

At December 31, 2003 the market value of current marketable equity securities increased from their aggregate cost by \$192,867.54. Results of operations for 2003 included a net unrealized gain in that amount.

SEE ACCOUNTANT'S EXAMINATION REPORT AND
ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2003

NOTE 4- FIXED ASSETS

Office Furniture and Equipment cost \$3015 and was fully depreciated over a 3 year estimated useful life.

NOTE 5- DEPOSIT

Deposit consists of the following :

PERSHING- a division of
Donaldson, Lufkin & Jenrette Securities Corporation-
Security Dealers

25,000

NOTE 6- LEASING ARRANGEMENTS

The Company conducts its business from facilities owned by the Corporation's President, Harvey Reichenthal. Rent expense for the twelve months ended December 31, 2003 was \$10,086

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
INFORMATION RELATING TO THE POSSESSION OF CONTROL REQUIREMENTS
DECEMBER 31, 2003

First Liberties Securities, Inc. activities are limited under k2b. First Liberties Financial acts as a introducing broker or dealer and forwards all transactions of its customers to a clearing broker (Pershing) or dealer on a fully disclosed basis, provided that such clearing broker or dealer reflects such transactions on its books and records in accounts it carries in the names of such customers and that introducing broker or dealer does not hold funds or securities for, or owe funds or securities to customers other than funds and securities promptly forwarded to the clearing broker or dealer of the customer.

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
COMPUTATION OF NET CAPITAL
DECEMBER 31, 2003

Total Ownership Equity From Statement of Financial Condition	211,469
Deduct Ownership Equity Not Allowable for Net Capital	0
Total Ownership Equity Qualified for Net Capital	211,469
Less: Total Nonallowable Assets	0
Less : Total Haircut	<u>63,171</u>
NET CAPITAL	<u>148,298</u>

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS
DECEMBER 31, 2003

Minimum Net Capital Required (6 2/3% of indebtedness)	10,960
Minimum Dollar Net Capital Requirement of reporting broker or dealer	100,000
Net Capital Required (greater of the above)	100,000
Excess Net Capital (net Capital Less Net Capital Requirements)	48,298
Excess of Net Capital at 1000%. (net Capital Less 10% of total indebtedness)	<u>131,857</u>

FIRST LIBERTIES SECURITIES, INC.
D/B/A FIRST LIBERTIES FINANCIAL
DECEMBER 31, 2003

Stockholders Equity, December 31, 2002	<u>187,888</u>
Net gain for 2003	23,581
Stockholders Equity, December 31, 2003	<u>211,469</u>

RECONCILIATION BETWEEN NET CAPITAL AND 15C3-3 RESERVE REQUIREMENTS

There exists no material difference between the audited computation of Net Capital and the computation of 15c3-3 Reserve Requirements.

STATEMENT OF THE ADEQUACY OF THE ACCOUNTING SYSTEMS

There exists no material inadequacy in the Accounting System, Internal Accounting Control, and Procedures for Safeguarding Securities.