

SE



04003301

COMMISSION 49

BFB 3/5

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- 47457

CM
3/17

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: Miller Investment Partners, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

5001 Spring Valley Rd

(No. and Street)

Dallas

Texas

75244

(City)

(State)

(Zip Code)

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

Robert DuBois

(972) 419-4000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

R. C. Neal, P.C.

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

1425 W. Pioneer Suite 112

Irving,

Texas

75061

(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 22 2004

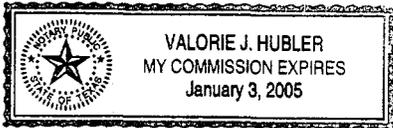
FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

*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)

SW

OATH OR AFFIRMATION

I, Michael F. McAuley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Miller Investment Partners, 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:



Michael F. McAuley
Signature

President

Title

Valorie J. Hubler
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).

* Exempt, not applicable or none.

MILLER INVESTMENT PARTNERS, INC.
FINANCIAL REPORT
DECEMBER 31, 2003 AND 2002

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance sheets	2
Statements of income.....	3
Statements of changes in stockholders' equity	4
Statements of cash flows.....	5
Notes to financial statements	6-8
SUPPLEMENTARY INFORMATION	
Computation of net capital pursuant to rule 15c3-1 of the Securities Exchange Act of 1934	10
Computation for determination of reserve requirement and information for possession or control requirements pursuant to rule 15c3-3 of the Securities Exchange Act of 1934	11
Reconciliation of the computation of net capital with the Computations included in Part IIA of Form X-17A-5	12

R.C. Neal, P.C.
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Miller Investment Partners, Inc.

We have audited the accompanying balance sheets of Miller Investment Partners, Inc. as of December 31, 2003 and 2002 and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended. 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 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 Miller Investment Partners, 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 information contained in the schedules on pages 10 through 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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audits 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.

R.C. Neal, P.C.

R.C. Neal, P.C.

Irving, Texas
February 19, 2004

MILLER INVESTMENT PARTNERS, INC.
BALANCE SHEETS
DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
CASH	\$ 186,546	\$ 49,930
ACCOUNTS RECEIVABLE		
Commissions	3,750	-
Other	16,289	482
PREPAID EXPENSES	<u>2,981</u>	<u>2,161</u>
TOTAL CURRENT ASSETS	209,566	52,573
DEFERRED TAX BENEFIT	-	791
INVESTMENTS	<u>3,300</u>	<u>3,300</u>
TOTAL ASSETS	<u>\$ 212,866</u>	<u>\$ 56,664</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 4,523
ACCOUNTS PAYABLE - RELATED PARTY	10,482	12,647
ACCRUED INCOME TAXES	<u>53,933</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>64,415</u>	<u>17,170</u>
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value, 1,000,000 shares authorized, 15,000 shares issued and outstanding	150	150
Additional paid-in capital	43,850	43,850
Retained earnings (deficit)	<u>104,451</u>	<u>(4,506)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>148,451</u>	<u>39,494</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 212,866</u>	<u>\$ 56,664</u>

The accompanying notes are an integral part of the financial statements.

MILLER INVESTMENT PARTNERS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
REVENUES		
Commissions	\$ 923,750	\$ 460,000
Other	2,967	16,481
	<u>926,717</u>	<u>476,481</u>
TOTAL REVENUES		
EXPENSES		
Commissions	628,750	331,680
General and administrative	131,136	130,011
Professional fees	3,150	2,310
	<u>763,036</u>	<u>464,001</u>
TOTAL EXPENSES		
INCOME BEFORE INCOME TAXES	163,681	12,480
FEDERAL INCOME TAX	54,724	1,820
NET INCOME	<u>\$ 108,957</u>	<u>\$ 10,660</u>

The accompanying notes are an integral part of the financial statements.

MILLER INVESTMENT PARTNERS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Common Stock		Additional Paid-in Cash	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2001	15,000	\$ 150	\$ 43,850	\$ (15,166)	\$ 28,834
Net Income	-	-	-	10,660	10,660
Balance at December 31, 2002	15,000	150	43,850	(4,506)	39,494
Net Income	-	-	-	108,957	108,957
Balance at December 31, 2002	<u>15,000</u>	<u>\$ 150</u>	<u>\$ 43,850</u>	<u>\$ 104,451</u>	<u>\$ 148,451</u>

The accompanying notes are an integral part of the financial statements.

MILLER INVESTMENT PARTNERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 108,957	\$ 10,660
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net (increase) decrease in:		
Accounts receivable-commissions	(3,750)	-
Accounts receivable - other	(15,807)	558
Deferred tax benefit	791	1,820
Prepaid expenses	(820)	57
Net increase (decrease) in:		
Accounts payable	(4,523)	4,523
Accounts payable - related party	(2,165)	12,647
Accrued income taxes	53,933	-
	136,616	30,265
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCIAL ACTIVITIES	-	-
NET INCREASE IN CASH	136,616	30,265
CASH AT BEGINNING OF YEAR	49,930	19,665
CASH AT END OF YEAR	\$ 186,546	\$ 49,930
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

MILLER INVESTMENT PARTNERS, INC.
INDEX TO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 2 – NET CAPITAL REQUIREMENTS

NOTE 3 – RELATED PARTY TRANSACTIONS

NOTE 4 – INCOME TAXES

NOTE 5 – INVESTMENTS

MILLER INVESTMENT PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Miller Investment Partners, Inc. (Company) was incorporated on April 20, 1994, and became registered with the United States Securities and Exchange Commission as a broker-dealer in August 1994. The Company was established to broker certain real estate partnership offerings, primarily located in the southwestern United States, and does not engage in any other real estate activities. On July 1, 2003 Henry S. Miller Investment Co. purchased 80 % of the outstanding stock of the Company.

Cash equivalents - The Company considers time deposits with original maturities of three months or less to be components of cash.

Revenue recognition - The Company receives commissions in connection with the offering of limited partnership interests in real estate partnerships. Commissions are earned only after the limited partnerships meet minimum funding requirements described in the private offering memorandum.

Management estimates- In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions which could affect the reported amounts of assets, liabilities, revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Net Capital Rule (Rule 15c3-1) which requires maintenance of minimum net capital, as defined, and requires that the ratio of aggregate indebtedness to net capital, as defined, shall not exceed 15-to-1. The Company operated in the states of Texas, Oklahoma and Louisiana in 2003 and 2002. All three states require minimum net capital amounts. The maximum amount among the three states is \$10,000. The Company had net capital of \$122,131 and \$32,760 at December 31, 2003 and 2002, respectively. Total indebtedness at December 31, 2003 and 2002 was \$64,415 and \$17,170 respectively.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company shares office facilities with related companies and, as a result, certain overhead expenses are borne by the related companies. The Company was allocated \$125,784 for overhead which is included in general and administrative expense in the accompanying statements of income.

MILLER INVESTMENT PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

NOTE 4 - INCOME TAXES

Income tax expense was computed as follows.

	2003	2002
Current income tax	\$ 47,085	\$ -
Deferred income tax	791	1,820
Federal income tax	47,876	1,820
State	6,848	-
	\$ 54,724	\$ 1,820

Effective for the year ended December 31, 2003, the Company files a consolidated federal income tax return with its parent corporation. The Company recognized its proportionate share of the consolidated federal income tax.

As of December 31, 2002 the company has a net operating loss carry forward of \$5,276, and has recorded a deferred tax asset of \$791. State franchise taxes are accrued at 4½ % of federal taxable income.

NOTE 5 - INVESTMENTS

Investments consist of 300 warrants. Each warrant will be exercisable in three annual tranches from June 30, 2003 to June 27, 2006, with one share of common stock available for purchase in each tranche. The exercise price will be as follows:

June 30, 2003 to June 25, 2004	14.00 per share
June 28, 2004 to June 27, 2005	15.00 per share
June 28, 2005 to June 27, 2006	16.00 per share

The ultimate value of the warrants, if any, will depend on the market value of the stock to be purchased.

SUPPLEMENTARY INFORMATION

MILLER INVESTMENT PARTNERS, INC.
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
OF THE SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2003

NET CAPITAL		
Total stockholders' equity		\$ 148,451
Less nonallowable assets:		
Accounts receivable-commission	3,750	
Accounts receivable-other	16,289	
Prepaid expenses and deposits	2,981	
Investments	<u>3,300</u>	
		<u>26,320</u>
TOTAL NET CAPITAL		122,131
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
Greater of:		
Minimum based of 6 2/3% of aggregate indebtedness	4,295	
Minimum net capital required under Rule 15c3-1	5,000	<u>5,000</u>
NET CAPITAL IN EXCESS OF MINIMUM REQUIRED		<u>\$ 117,131</u>
AGGREGATE INDEBTEDNESS		<u>\$ 64,415</u>
RATIO OF AGGREGATED INDEBTEDNESS TO NET CAPITAL		<u>53%</u>

MILLER INVESTMENT PARTNERS, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENT AND
INFORMATION FOR POSSESSION OR CONTROL REQUIREMENTS PURSUANT TO
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2003

The respondent is exempt from compliance with Rule 15c3-3 of the Securities Exchange Act of 1934 under paragraph (k)(2)(i) of that rule.

MILLER INVESTMENT PARTNERS, INC.
RECONCILIATION OF THE COMPUTATION OF NET CAPITAL WITH THE
COMPUTATIONS INCLUDED IN PART IIA OF FORM X-17A-5 AS OF
DECEMBER 31, 2003

NET CAPITAL PER FOURTH QUARTER FORM X-17A-5	\$ 169,216
DIFFERENCES	
Accrued income taxes	<u>47,085</u>
NET CAPITAL PER FINANCIAL STATEMENTS	<u>\$ 122,131</u>