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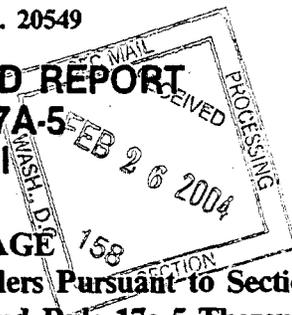
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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



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: Patrick, Lawrence & Associates, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

220 White Plains Rd.

(No. and Street)

Tarrytown

NY

10591

(City)

(State)

(Zip Code)

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

Kevin Waterhouse

914-332-7222 x 101

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Radin, Glass & Co. LLP

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

360 Lexington Ave.

New York

NY

10017

(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 19 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).

OATH OR AFFIRMATION

I, Patrick R. WATERHOUSE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Patrick Lawrence & Associates, Inc., as of February 18, 19 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:

Patrick R. Waterhouse
Signature
President
Title

Dawn M. Sehlmeier
Notary Public

DAWN M. SEHLMAYER
NOTARY PUBLIC State of New York
No. 4954896 Westchester
Qualified in Dutchess County
Commission Expires Aug. 21, 19 2005

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 Proprietor's 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 15c3-1 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).

Patrick, Lawrence & Associates, Inc.

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Radin, Glass & Co., LLP

Certified Public Accountants

360 Lexington Avenue
New York, NY 10017
www.radinglass.com
212.557.7505
Fax: 212.557.7591

February 12, 2004



REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Patrick, Lawrence & Associates, Inc.
220 White Plains Road
Tarrytown, NY 10591

We have audited the accompanying statement of financial condition of Patrick, Lawrence & Associates, Inc. as of December 31, 2003 and the related statements of operations, changes in stockholders' equity, cash flow and changes in liabilities subordinated to claims of general creditors 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. 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 Patrick, Lawrence & Associates, Inc. at December 31, 2003 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III 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.

Radin, Glass & Co., LLP

Certified Public Accountants

Patrick, Lawrence & Associates, Inc.
Statement of Financial Condition
December 31, 2003

ASSETS

ASSETS

Cash	\$ 91,782
Clearing deposit	50,010
Secured demand notes, shareholders	<u>1,250,000</u>

TOTAL ASSETS \$ 1,391,792

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Other liabilities	\$ 10
Subordinated liabilities	<u>1,250,000</u>

TOTAL LIABILITIES 1,250,010

STOCKHOLDERS' EQUITY

Common stock, \$0.001 par value, 1,000 shares authorized, 50 shares issued and outstanding	1
Additional paid-in capital	249,999
Accumulated deficit	<u>(108,218)</u>

TOTAL STOCKHOLDERS' EQUITY 141,782

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 1,391,792

See notes to financial statements.

Patrick, Lawrence & Associates, Inc.
Statement of Operations
For the Year Ended December 31, 2003

REVENUES	\$ 3,500
EXPENSES	
Communications	11,128
Printing, delivery and supplies	33,058
Other operating expenses	31,248
Professional fees	8,001
	<hr/>
TOTAL EXPENSES	83,435
	<hr/>
NET LOSS	\$ (79,935)
	<hr/> <hr/>

See notes to financial statements.

Patrick, Lawrence & Associates, Inc.
Statement of Changes in Stockholders' Equity
For the Year Ended December 31, 2003

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, January 1, 2003	50	\$ 1	\$ 249,999	\$ (28,283)	\$ 221,717
Net loss				(79,935)	(79,935)
Balance, December 31, 2003	50	\$ 1	\$ 249,999	\$ (108,218)	\$ 141,782

See notes to financial statements.

Patrick, Lawrence & Associates, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2003

Cash Flows from Operating Activities:	
Net loss	\$ (79,935)
Adjustments to reconcile net loss to cash used in operating activities:	
Changes in operating assets and liabilities:	
Clearing deposit	(10)
Accounts payable and accrued expenses	(6,774)
Other liabilities	<u>(224,990)</u>
Net Decrease in Cash	(311,709)
Cash, Beginning	<u>403,491</u>
Cash, Ending	<u><u>\$ 91,782</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	\$ <u><u>-</u></u>
Taxes	\$ <u><u>100</u></u>

See notes to financial statements.

Patrick, Lawrence & Associates, Inc.
Notes to Financial Statements

1. Business and Summary of Significant Accounting Policies

Description of Business:

Patrick, Lawrence and Associates, Inc. (the "Company") is a "S" corporation organized under the laws of New York. The Company's principal place of business is White Plains, New York and it is a member of the National Association of Securities Dealers, Inc. ("NASD"). The Company was formed for the purpose of operating as a broker dealer and/or as an investment advisor. The Company acts as an underwriter on a firm commitment basis. As a broker, the Company acts as an agent through a clearing broker on behalf of its customers on a fully disclosed basis.

Revenue Recognition:

Revenues are recorded when the service is provided.

Income Taxes:

The Company has elected S status for Federal and New York State purposes. Accordingly, the shareholders will be responsible for those income taxes. The Company is subject to the New York State minimum tax. Temporary differences are immaterial.

Management's 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments:

The carrying amounts reported in the balance sheet for assets and liabilities approximate fair value based on the short-term maturity of these instruments.

Clearing Deposit:

The Company maintains a \$50,000 balance with its clearing agent.

2. Secured Demand Notes/Subordinated Liabilities

Subordinated liabilities were contributed to the Company by the shareholders pursuant to secured demand note collateral agreements. These agreements are scheduled to mature on July 31, 2006, bear no interest and are included in meeting the Company's net capital requirements (see Note 3). Under certain conditions, the liabilities may not be discharged at their scheduled maturity date.

Patrick, Lawrence & Associates, Inc.
Notes to Financial Statements

The related secured demand notes are adequately by shares of Toronto-Dominion Bank stock. The aggregate value of the securities collateral at December 31, 2003 was \$3,342,000.

3. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule 15c-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and the related aggregate indebtedness ratio may fluctuate on a daily basis. At December 31, 2003, the Company had net capital of \$1,391,782, which was \$1,141,782 above its required net capital of \$250,000.

4. Clearing Broker Indemnification

In the normal course of business, customers may sell securities short. Subsequent market fluctuations may require the clearing broker to obtain additional collateral from the Company's customers. It is the policy of the clearing broker to value the short positions daily and to obtain additional deposits where deemed appropriate. The Company has agreed to indemnify its clearing broker for losses that the clearing broker may sustain from the customer accounts introduced by the Company.

5. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company may enter into security sales transactions as principal. The Company also may execute, as agent, transactions on behalf of customers. If the agency transactions do not settle because of failure to perform by either the customer or the counter-party, the Company may be obligated to discharge the obligation of the non-performing party and, as a result, may incur a loss if the market value of the security is different from the contract amount of the transactions.

The Company does not anticipate nonperformance by customers or counter-parties in the above situations. The Company's policy is to monitor its market exposure and counter-party risk.

7. Related Party Transactions

The Company has an arrangement with a related party to use its office space, all necessary office equipment, furniture and supplies free of any charge while the Company occupies that office space. This related party also pays other expenses on behalf of the Company in the amount of \$12,000 during the year ended December 31, 2003, which amount was not charged to the Company.

Patrick, Lawrence & Associates, Inc.

Computation of Net Capital Under Rule 15c3-1

December 31, 2003

Total stockholders' equity from statement of financial condition	\$	141,782
Other credits:		
Subordinated liabilities		1,250,000
Deduction and/or charges:		
Total non-allowable assets		-
Net capital before haircuts		<u>1,391,782</u>
Haircuts on securities:		
Trading and investment securities:		<u>-</u>
Net capital	\$	<u><u>1,391,782</u></u>
Greater of:		
Minimum net capital required - 6 2/3% total aggregate indebtedness of \$10, pursuant to Rule 15c3-1	\$	<u><u>1</u></u>
Minimum dollar net capital requirement of reporting broker/dealer	\$	<u><u>250,000</u></u>
Net capital requirement	\$	<u><u>250,000</u></u>
Excess net capital	\$	<u><u>1,141,782</u></u>
Items included in aggregate indebtedness		
Accounts payable, accrued expenses and other liabilities	\$	<u>10</u>
Total aggregate indebtedness	\$	<u><u>10</u></u>
Ratio: aggregate indebtedness to net capital		<u><u>0</u></u>

Patrick, Lawrence & Associates, Inc.

Reconciliation of Net Capital Under Rule 15c3-1

December 31, 2003

Reconciliation of the computation of net capital pursuant to Rule 15c3-1
with the corresponding computation contained in the unaudited Part II filing
of Form X-17A-5

No material differences.

Patrick, Lawrence & Associates, Inc.

**Information Relating to the Possession
or Control Requirements Under Rule 15c3-3**

December 31, 2003

The Company claims exemption from the requirements of Rule 15c3-3, under Section (k)(2)(ii) of the Rule.

PATRICK, LAWRENCE & ASSOCIATES, INC.

**SUPPLEMENTAL REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS**



Radin, Glass & Co., LLP

Certified Public Accountants

360 Lexington Avenue
New York, NY 10017
www.radinglass.com
212.557.7505
Fax: 212.557.7591

February 12, 2004.

Board of Directors
Patrick, Lawrence & Associates, Inc.
Tarrytown, New York

In planning and performing our audit of the financial statements and supplemental schedules of Patrick, Lawrence & Associates, 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 the 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 aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with 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 the 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.

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 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, the National Association of Securities Dealers, Inc, 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.

Radin, Ells & Co., LLP

Certified Public Accountants