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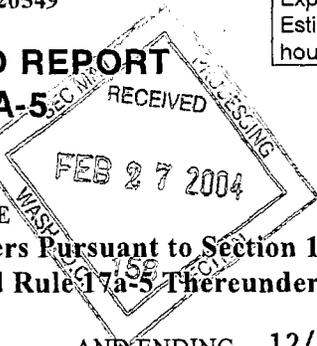
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**



SEC FILE NUMBER
B-46312

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 1/1/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Wespac Hawaii Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

111 N. King Street, Suite 411

(No. and Street)

Honolulu

HI

96817

(City)

(State)

(Zip Code)

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

Eugene T. Ichinose

(808) 536-6983

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

David E. Latham, C.P.A.

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

735 Bishop Street, Suite 432,

Honolulu

HI

96813

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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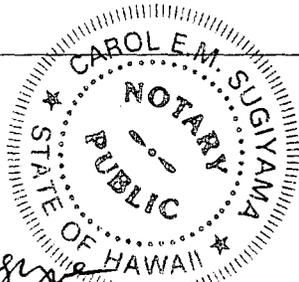
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THOMSON FINANCIAL	

*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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Eugene T. Ichinose, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Wespac Hawaii Securities, Inc., as of January 27, 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:



Carol E.M. Sugiyama
Notary Public
expire 3/26/07

Handwritten signature of Eugene T. Ichinose

Signature

President, Secretary and Director

Title

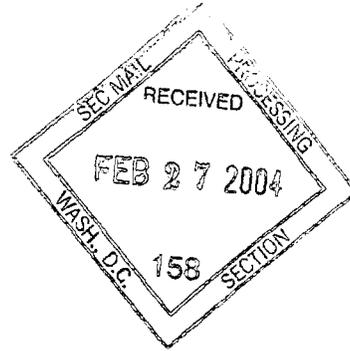
This report ** contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(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).

DAVID E. LATHAM
CERTIFIED PUBLIC ACCOUNTANT

February 19, 2004



Board of Directors
Wespac Hawaii Securities, Inc.
Honolulu, Hawaii

I have examined the financial statements of Wespac Hawaii Securities, Inc. for the year ended December 31, 2003, and have issued my report thereon dated January 27, 2004.

As part of my study I verified that Wespac Hawaii Securities, Inc. has in place a policy which complies with the requirements of the Securities and Exchange Commission regarding money laundering. This includes tests of the firm's books and records.

My study and evaluation of the system of accounting control, including my review of the firm's anti-money laundering policy for the year ended December 31, 2003, would not necessarily disclose all weaknesses in the system which may have existed during the period under review.

As a result of my audit observations, in my opinion Wespac Hawaii Securities, Inc., is in compliance with its AML program.

A handwritten signature in cursive script that reads 'David E. Latham'.

A:\money laundering1.wpd

DAVID E. LATHAM
CERTIFIED PUBLIC ACCOUNTANT

January 27, 2004

Board of Directors
Wespac Hawaii Securities, Inc.
Honolulu, Hawaii

I have examined the financial statements of Wespac Hawaii Securities, Inc., for the year ended December 31, 2003, and have issued my report thereon dated January 27, 2004.

As part of my examination, I made a study and evaluation of the system of internal accounting control to the extent I considered necessary to evaluate the system, as required by generally accepted auditing standards and Rule 17A-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system, the procedures for safeguarding securities, and the practice and computations of aggregate indebtedness and net capital under Rule 17A-3(a) and (2) the reserve required by Rule 15c3-3(e).

Rule 17A-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness at the date of my examination would be disclosed. The purpose of such study and evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures necessary for expressing an opinion on the financial statements under generally accepted auditing standards and to provide a basis for reporting material weaknesses in internal accounting control under Rule 17A-5 and, with respect to rule 15c3-3, to provide reasonable assurance of compliance in all material respects with the possession and control requirements of that rule.

Because Wespac 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 Wespac 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 objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance

recognized that the cost of a system of internal accounting control should not exceed the benefits derived therefrom, and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management. However, for the purposes of this report, under Rule 17A-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented internally by management with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

As part of my study I verified that Wespac Hawaii Securities, Inc., has in place a policy which complies with the requirements of the Securities and Exchange Commission regarding money laundering.

My study and evaluation of the system of accounting control for the year ended December 31, 2003, made for the purpose set forth in the second paragraph, would not necessarily disclose all weaknesses in the system which may have existed during the period under review.

As a result of my audit observations, I found no weakness I believe to be material.

A handwritten signature in black ink, appearing to read "David J. Altman". The signature is written in a cursive, flowing style.

WESPAC HAWAII SECURITIES, INC.
AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2003

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DAVID E. LATHAM
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Stockholders of
Wespac Hawaii Securities, Inc.
Honolulu, Hawaii

I have audited the accompanying Statement of Financial Condition of Wespac Hawaii Securities, Inc., as of December 31, 2003, and the related statements of operations, statements of changes in financial conditions, changes in stockholders' equity, and changes in liabilities subordinated to claims of creditors and 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wespac Hawaii Securities, Inc., as of 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 of America.

My audit was made 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 Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit 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.

January 27, 2004



WESPAC HAWAII SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

Current assets:		
Cash deposited in bank and on hand	\$	35,710
Investments at market value		11,831
Receivable from clearing broker		5,412
Tax refund receivable		<u>2,721</u>
Total current assets		55,674
Office Equipment Net of accumulated depreciation of \$10,938		6,024
Other assets:		<u>274</u>
Total assets	\$	<u><u>61,972</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued expenses	\$	2,919
Commissions payable		2,539
Deferred income taxes		<u>745</u>
Total current liabilities		<u>6,203</u>
Stockholders' equity:		
Capital stock, \$10 par value per share authorized, 100,000 shares, issued and outstanding 1,200 shares		12,000
Retained earnings		<u>43,769</u>
Total stockholders' equity		<u>55,769</u>
Total liabilities and stockholders' equity	\$	<u><u>61,972</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

WESPAC HAWAII SECURITIES, INC.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2003

Revenues:		
Commissions - mutual funds	\$	53,637
Commissions - annuities		18,595
Interest		182
Unrealized gains on investments		<u>2,318</u>
		<u>74,732</u>
Expenses:		
Commissions to registered representatives		45,478
Regulatory fees		662
Depreciation		2,424
Rent		9,360
Other operating expenses		<u>33,303</u>
		<u>91,227</u>
Net loss before income tax		<u>(16,495)</u>
Income tax benefit		<u>(2,664)</u>
Net loss	\$	<u><u>(13,831)</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

WESPAC HAWAII SECURITIES, INC.

STATEMENT OF CHANGES IN FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2003

Cash flows from operating activities:

Net loss	(13,831)
----------	----------

Adjustments to reconcile net income to net
cash provided by (used by) operations:

Unrealized gain on investments	(2,318)
Depreciation	2,424
Provision for deferred taxes	57
Changes in operating assets and liabilities:	
Commissions receivable	106,512
Tax refund receivable	(2,721)
Other assets	1,484
Commissions payable	(74,116)
Income taxes payable	(7,546)
Accrued liabilities	(2,201)

Net cash provided by operating activities	\$ <u>7,744</u>
---	-----------------

Cash flows from investing activities:

Purchase of Equipment	(4,779)
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Net cash used by investing activities	\$ <u>(4,779)</u>
---------------------------------------	-------------------

Net Increase in cash and cash equivalents	2,965
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Cash and cash equivalents at January 1, 2003	<u>32,745</u>
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Cash and cash equivalents at December 31, 2003	\$ <u><u>35,710</u></u>
--	-------------------------

Supplemental disclosure:

Cash paid during the year for:

Income taxes	-0-
Interest	<u>60</u>

SEE NOTES TO FINANCIAL STATEMENTS

WESPAC HAWAII SECURITIES, INC..

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Capital Stock</u>	<u>Retained Earnings</u>	<u>Total Stock- holders' Equity</u>
Balance at January 1, 2003	12,000	57,600	69,600
Stock repurchase			
Net loss		(13,831)	(13,831)
Balance at December 31, 2003	\$ <u>12,000</u>	\$ <u>43,769</u>	\$ <u>55,769</u>

SEE NOTES TO FINANCIAL STATEMENTS

WESPAC HAWAII SECURITIES, INC.

**STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF CREDITORS
YEAR ENDED DECEMBER 31, 2003**

Balance, January 31, 2003	\$ <u>-0-</u>
Balance, December 31, 2003	\$ <u><u>-0-</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

WESPAC HAWAII SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

1. Organization and Nature of Business.

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Security Dealers (NASD). The Company is engaged primarily in the brokerage, investment advisory and venture capital business in the State of Hawaii.

The Company promptly transmits all funds and delivers all securities received in connection with its activities as a broker-dealer, to its clearing broker, and does not otherwise hold funds or securities for, or owe money or securities to, customers. Accordingly, its minimum net capital requirement is \$5,000.

2. Significant Accounting Policies.

Basis of presentation:

The financial statements have been prepared in conformity with generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from these estimates.

Material estimates that are particularly susceptible to significant change in the near-term relates to the determination of the value of marketable securities held in inventory, marketable securities are valued at market values which can change substantially as the market reacts to changed circumstances. Management believes that such estimates have been appropriately established.

Security transactions:

Securities transactions and related commission revenue and expense are recorded on the trade date basis with the settlement date generally set for the seventh day following the trade date.

Investments:

The company classifies its investments in marketable securities as available for sale. Securities with readily determinable fair values are carried at market value on the statement of financial position. Securities without readily determinable fair value are carried at cost on the financial statements. Unrealized gains and losses are included in the accompanying statement of income.

Property, equipment and depreciation:

Property and equipment are stated at cost.

The company follows the practice of capitalizing all expenses for property and equipment in excess of \$300. Depreciation is provided on the declining balance method over an estimated useful life of 5 years.

WESPAC HAWAII SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Deferred Income taxes:

For income tax reporting, the company uses accounting methods that recognize depreciation sooner than for financial statement reporting. As a result, the basis of property and equipment for financial reporting exceeds its tax basis by the cumulative amount that accelerated depreciation exceeds declining balance depreciation. Deferred income taxes have been recorded for the excess, which will be taxable in future periods through reduced depreciation deductions for tax purposes.

Cash and cash equivalents:

The Company considers all short-term investments with an original maturity of three months or less that are not required to be segregated under Federal or other regulations to be cash and cash equivalents.

Concentrations of credit risk:

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

3. Net Capital Requirements.

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c-3-1), 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. At December 31, 2003, the Company had net capital of \$42,101 which was \$37,101 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was .15 to 1.

4. Leases.

The company is currently leasing office space from Yee Hop Realty at 111 North King Street, Honolulu, Hawaii. The lease agreement is on a month-to-month basis and requires monthly rental payments of \$780. Rent expense amounted to \$9,360 for the year ended December 31, 2003

5. Income Taxes and Net Operating Loss Carryforward.

The Company had a net operating loss of \$13,138 for tax purposes for the year ended December 31, 2003. This loss will be carried back to 2002 to obtain a refund of \$2,070 of Federal tax and \$745 of Hawaii state tax. The provision for income taxes for the year ended December 31, 2003 consisted of the following:

Current tax refund	(\$2,721)
Deferred tax	<u>57</u>
	<u><u>(\$2,664)</u></u>

WESPAC HAWAII SECURITIES, INC

SUPPLEMENTAL INFORMATION

COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
DECEMBER 31, 2003

Total capital (from Statement of Financial Condition)	\$	55,769
Less: Leasehold improvements, furniture and equipment and other assets		<u>12,319</u>
Net capital before haircuts on securities positions	\$	43,450
Haircuts on securities		<u>1,349</u>
Net Capital	\$	<u><u>42,101</u></u>
Computation of basic net capital requirement:		
Minimum net capital required (6-2/3% of aggregate indebtedness)	\$	<u><u>377</u></u>
Minimum dollar net capital	\$	<u><u>5,000</u></u>
Net capital requirements (greater of above amounts)	\$	<u><u>5,000</u></u>
Excess of net capital	\$	<u><u>37,101</u></u>
Computation of aggregate indebtedness:		
Aggregate indebtedness	\$	<u><u>6,203</u></u>
Percentage of aggregate indebtedness to net capital		<u><u>14.73%</u></u>

WESPAC HAWAII SECURITIES, INC.

SUPPLEMENTAL INFORMATION

COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS PURSUANT TO RULE 15c3-3

DECEMBER 31, 2003

Credit balance in customers' security accounts	\$ -0-
Debit balance	-0-
Reserve computation:	
Excess of total debts over total credits	None
Required deposit	None

There is no material difference between the corporation's computation included in Part II of form X-17 A-5 as of December 31, 2003 and the computation presented.

WESPAC HAWAII SECURITIES, INC.

**INFORMATION RELATING TO THE POSSESSION
OR CONTROL REQUIREMENTS UNDER RULE 15c-3-3
DECEMBER 31, 2003**

Wespac Hawaii Securities, Inc. does not receive, directly or indirectly, or hold funds or securities for, or owe funds or securities to, customers and does not carry accounts of, or for, customers.

WESPAC HAWAII SECURITIES, INC.

SUPPLEMENTAL INFORMATION

STATEMENT PURSUANT TO RULE 17a5(d)(4)

Net capital per respondent's most recent X-17A-5, Part II		\$ <u>44,338</u>
Adjustment for:		
Increase in:		
Investments	704	
Operating expenses	(2,010)	
Revenue	2,307	
Accounts payable & accrued liabilities	(57)	
Haircuts on securities	(771)	
Non allowable assets	<u>(2)</u>	171
Decrease in:		
Accounts receivable	(2,109)	
Other assets	(295)	
Cash	<u>(4)</u>	(2,408)
Total Adjustments		<u>(2,237)</u>
Net capital per audited financial statements		\$ <u><u>42,101</u></u>

SEE NOTES TO FINANCIAL STATEMENTS