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8- 26731

**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 JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

RESRV PARTNERS, INC.

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

1250 BROADWAY 32nd FLOOR

(No. and Street)

NEW YORK

NY

10001

(City)

(State)

(Zip Code)

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

ARTHUR BENT

(212) 401 5500

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

DEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SANFORD BECKER & CO., PC

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

1430 BROADWAY 6TH FLOOR

NEW YORK

NY

10018

(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).

OATH OR AFFIRMATION

I, ARTHUR BENT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RESRV PARTNERS, INC., as of DECEMBER 31, 2003, 19 , 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:

Catherine McCabe

Notary Public

Arthur Bent

Signature
Treasurer and Asst Secretary

Title

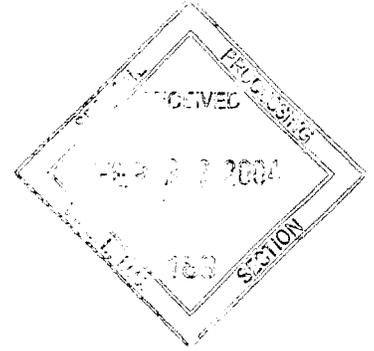
CATHERINE McCABE, ESQ.
Notary Public, State of New York
No. 02M05955144
Qualified in Nassau County
Commission Expires Feb. 5, 19

2006

report** contains (check all applicable boxes):

- (a) Facing page.
 -) Statement of Financial Condition.
 -) Statement of Income (Loss).
 -) Statement of Changes in Financial Condition.
 -) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
 -) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
 -) Computation of Net Capital
 -) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
 -) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
 -) 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.
- (o) Reconciliation between audited and unaudited computation of Net Capital under Part IIA Filing

r conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



RESRV PARTNERS, INC.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
ON PART IIA OF FORM X-17A-5

YEAR ENDED DECEMBER 31, 2003

RESERV PARTNERS, INC.

December 31, 2003

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SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Resrv Partners, Inc.
New York, NY

We have audited the accompanying statement of financial condition of Resrv Partners, Inc. as of December 31, 2003 and the related statements of income, changes in stockholder's 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 Resrv Partners, Inc. as of December 31, 2003 and the results of their 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 in the schedules listed on the accompanying index 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 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.

New York, New York
February 18, 2004

Sanford Becker & Co PC

FOCUS REPORT

FORM

(Financial and Operational Combined Uniform Single Report)

17A-5

PART IIA

12

10/85

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a) 16
- 2) Rule 17a-5(b) 17
- 3) Rule 17a-11 18
- 4) Special request by designated examining authority 19
- 5) Other 26

NAME OF BROKER-DEALER

RESRV PARTNERS, INC.

SEC FILE NO

8 26731 14

FOR FIRM ID NO

010273 15

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

1250 BROADWAY 32ND FLOOR 20

(No and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

01/01 / 03 24

AND ENDING (MM/DD/YY)

NEW YORK 21 NY 22 10001 23

(City)

(State)

(Zip)

12/31 03 25

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

(Area Code) - Telephone No.

MR. ARTHUR BENT 30

(212) 401 5500 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32	33
34	35
36	37
38	39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES 40 NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the _____ day of _____ 19 _____

Manual Signatures of

1) _____
Principal Executive Officer or Managing Partner

2) _____
Principal Financial Officer or Partner

3) _____
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a))

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER RESRV PARTNERS, INC.

as of **DECEMBER 31, 2003**

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING
AND CERTAIN OTHER BROKERS OR DEALERS**

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1471
14. Payable to brokers or dealers:			
A. Clearance account	1,376,850	1315	1,376,850
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	1205	1385	1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$	970		
2. Includes equity subordination (15c3-1 (d)) of \$	980		
B. Securities borrowings, at market value:...			
from outsiders \$	990	1410	1720
C. Pursuant to secured demand note collateral agreements:			
1. from outsiders \$	1000	1420	1730
2. Includes equity subordination (15c3-1 (d)) of \$	1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 1,376,850	\$ 1450	\$ 1,376,850

Ownership Equity

21. Sole proprietorship		\$ 1770
22. Partnership (limited partners)	\$ 1020	\$ 1780
23. Corporation:		
A. Preferred stock		1791
B. Common stock		175,000
C. Additional paid-in capital		1793
D. Retained earnings		311,453
E. Total		1795
F. Less capital stock in treasury		1796
24. TOTAL OWNERSHIP EQUITY		\$ 486,453
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 1,863,303

RESRV PARTNERS, INC.
STATEMENT OF EARNINGS
YEAR ENDED DECEMBER 31, 2003

REVENUE

Interest	5,799
Fees	13,748
Other	15,341
	<u>34,888</u>

EXPENSE

State and Local Taxes	2,523
	<u>2,523</u>
TOTAL	<u>2,523</u>

INCOME BEFORE FEDERAL INCOME TAX 32,365

Deduct: Provision for Federal Income Tax -

NET INCOME 32,365

RESRV PARTNERS, INC.
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
 YEAR ENDED DECEMBER 31, 2003

	<u>COMMON</u> <u>STOCK</u>	<u>RETAINED</u> <u>EARNINGS</u>	<u>TOTAL</u>
<u>BALANCE</u> January 1, 2003	175,000	779,087	854,087
Add:			
Net Income for the Year		32,365	32,365
Deduct:			
Distributions		(500,000)	(500,000)
<u>BALANCE</u> at December 31, 2003	<u>175,000</u>	<u>311,452</u>	<u>386,452</u>

RESRV PARTNERS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:

Net Income		32,365
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Increases in Amounts Payable to Brokers or Dealers	395,008	
Increase in Receivables from Non-Customers and Customers	<u>(43,593)</u>	351,415
Net Cash Provided by Operating Activities		383,780

Cash Flows from Investing Activities:

Increase in Securities Owned	<u>(51,833)</u>	
Net Cash Used for Investing Activities		(51,833)

Cash Flows from Financing Activities:

Distribution to Shareholder	<u>500,000</u>	
Net Cash Used for Financing Activities		<u>(500,000)</u>

Net Decrease in Cash and Cash Equivalents		(168,053)
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Cash and Cash Equivalents at Beginning of Year		<u>1,785,677</u>
Cash and Cash Equivalents at End of Year		<u><u>1,617,624</u></u>

RESRVE PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED ECEMBER 31, 2003

- (1) Summary of Significant Accounting Policies:
Securities owned are valued at market

The corporation was incorporated in New York State on August 26, 1981 and became registered as a broker-dealer on October 19, 1981.

- (2) The corporation and its shareholders have elected effective January 1, 2002 to be treated as a Subchapter S Corporation under applicable Federal and New York State law. Accordingly, no provision has been made for Federal and NY State Corporation taxes.

- (3) Net Capital Requirements:

The corporation is subject to the Uniform Net Capital Rule (Rule 15C3-1) of the Securities Act of 1934, which requires the corporation to maintain a ratio of aggregate indebtedness to net capital as defined not exceed 15 to 1. At December 31, 2003 Resrv Partners, Inc. Net Capital was \$428,714 whereas the required Net Capital was \$91,790. The ratio of Aggregate Indebtedness to net Capital was 321% compared to a maximum amount allowable of 1500%.

- (4) Nature of Operations:

Resrv Partners, Inc. is a distributor of the Reserve Fund, Inc. portfolios. The corporation is a "Principal Underwriter" for the fund within the meaning of the investment company act of 1940.

- (5) Use of Estimates in the preparation of financial statements:

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.

- (6) The corporation maintains cash in bank accounts which at times may exceed federally insured limits.

- (7) The corporation is exempt under Rule 17a(5)(d)(4) the computation of Net Capital and aggregate indebtedness as of December 31, 2003 shows no material differences from corresponding unaudited statements filed by Resrv Partners, Inc. as of December 31, 2003.

- (8) The corporation is exempt under Rule 15C3-3. We have ascertained that the condition of this exemption was being complied with as of December 31, 2003 and that no facts came to our attention to indicated that the exemption had not been complied with during this period.

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER RESRV PARTNERS, INC.

as of **DECEMBER 31, 2003**

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	486,453	3480
2. Deduct ownership equity not allowable for Net Capital.....	Y		3490
3. Total ownership equity qualified for Net Capital.....		486,453	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			3520
B. Other (deductions) or allowable credits (List).....			3525
5. Total capital and allowable subordinated liabilities.....	\$	486,453	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$	Y	43,593	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities: proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
7. Other additions and/or allowable credits (List).....		43,593	3620
8. Net capital before haircuts on securities positions.....	Y	442,860	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments.....	\$		3660
B. Subordinated securities borrowings.....			3670
C. Trading and investment securities:			
1. Exempted securities.....	Y		3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....		14,146	3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
10. Net Capital.....	\$	428,714	3750

OMIT PENNIE!

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

RESRV PARTNERS, INC.

as of **DECEMBER 31, 2003**

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	91,790	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	91,790	3760
14. Excess net capital (line 10 less 13)	\$	336,924	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$		3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	1,376,850	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
19. Total aggregate indebtedness	\$	1,376,850	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	321%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	NOT APPLICABLE	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$		3920

OMIT PENNIES

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BOOKER OR DEALER

RESRV PARTNERS, INC

as of 12 / 31 / 03

Exemptive Provisions Under Rule 15c3-3

If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- (k) (1) **\$5000** capital category as per Rule 15c3-1 4550
- (k) (2)(A)-"Special Account for the Exclusive Benefit of customers" maintained 4560
- (k) (2)(B)-All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 4335 4570
- (k) (3)-Exempted by order of the Commission 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Code to enter	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
4600		4601	4602	4603	4604	4605
4610		4611	4612	4613	4614	4615
4620		4621	4622	4623	4624	4625
4630		4631	4632	4633	4634	4635
4640		4641	4642	4643	4644	4645
4650		4651	4652	4653	4654	4655
4660		4661	4662	4663	4664	4665
4670		4671	4672	4673	4674	4675
4680		4681	4682	4683	4684	4685
4690		4691	4692	4693	4694	4695
			TOTAL	4699		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION
- 1. Equity Capital
 - 2. Subordinated Liabilities
 - 3. Accruals
 - 4. 15c3-1(c)(2)(iv) Liabilities

SEE NOTES TO FINANCIAL STATEMENTS

RESRVE PARTNERS, INC.
RECONCILIATION OF COMPUTATION OF NET CAPITAL PURSUANT TO
UNIFORM NET VAPITAL RULE 15c3-1 TO CORPORATION'S CORRESPONDING
UNAUDITED FORM X-17A-5 PART IIA FILING
December 31, 2003

Unaudited computation of Net Capital – December 31, 2003 Filing By Broker/Dealer	428,714
Audited Computation of Net Capital – December 31, 2003 Filing By Broker/Dealer	<u>428,714</u>

SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT ON INTERNAL CONTROL

Board of Directors
Resrv Partners, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Resrv Fund, Inc., for the year ended December 31, 2003, we considered its internal control structure including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17A-5 (g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures followed by Resrv Partners, Inc., 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 (or aggregate debits) and net capital under rule 17A-3 (a) (ii) and or determining compliance with the exemptive provisions of Rule 15c3-3. Because the company does not carry securities account for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the company n 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 Systems.

The management of the company is responsible for establishing and maintaining an internal control structure and 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the company has responsibility and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity

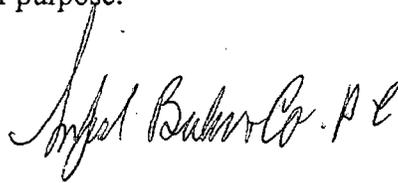
with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in an internal control structure or the practices and procedures referred to above, errors or irregularities 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 an operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material witnesses under standards established by American Institute of Certified Public Accountants. A material witness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, including procedures for safeguarding securities that we considered 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 Commission 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 accomplish such objectives in all material respects indicated 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 Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.



New York, New York
February 9, 2004