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Washington, D.C. 20547

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

RECEIVED
FEB 27 2004
WASH. D.C. 158
SECTION

SEC FILE NUMBER
834858

FACING PAGE 158

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:

RTA Investments Company

OFFICIAL USE ONLY
FIRM ID. NO.

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

8 North Belmont Avenue

(No. and Street)

Richmond

VA

23221

(City)

(State)

(Zip Code)

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

F. Timothy Hunter

(804) 355-5300

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BDO Seidman, LLP

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

300 Arboretum Place, Suite 520

Richmond

VA

23236

(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

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*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).

PS
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OATH OR AFFIRMATION

I, F. Timothy Hunter, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RTA Investments Company, 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:

Three horizontal lines for listing exceptions.

Signature of F. Timothy Hunter

President Title

Notary Public signature: Anne K. Shupe

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

- (a) Facing page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Cash Flows.
(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.
(o) Independent Auditor's Report on Internal Accounting Controls.

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

**FORM
X-17A-5**

FOCUS REPORT

OMB No. 3235-0123
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

PART IIA 12

3/91

(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

RTA Investments Company 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

8 North Belmont Avenue 20

(No. and Street)

Richmond 21

(City)

VA 22

(State)

23221 23

(Zip Code)

SEC FILE NO.

8-34858 14

FIRM ID. NO.

01-01-03 15

FOR PERIOD BEGINNING (MM/DD/YY)

12-31-03 24

AND ENDING (MM/DD/YY)

25

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

F. Timothy Hunter 30

(Area Code)—Telephone No.

(804) 355-5300 31

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

32

34

36

38

OFFICIAL USE

33

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37

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 25 day of Feb 2004

Manual signatures of:

1) [Signature]
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. 78f(a))

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report				
Name (If individual, state last, first, middle name)				
BDO Seidman, LLP				70
ADDRESS	Number and Street	City	State	Zip Code
	300 Arboretum Place, Suite 520	Richmond	VA	23236
	71	72	73	74

Check One

- Certified Public Accountant 75
- Public Accountant 76
- Accountant not resident in United States or any of its possessions 77

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD					
50	51	52	53					



BDO Seidman, LLP
Accountants and Consultants

300 Arboretum Place, Suite 520
Richmond, Virginia 23236
Telephone: (804) 330-3092
Fax: (804) 330-7753

Independent Auditors' Report

Stockholders
RTA Investments Company
Richmond, Virginia

We have audited the accompanying statement of financial condition of RTA Investments Company as of December 31, 2003, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended in Form X-17A-5, part IIA. 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 audits 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 RTA Investments Company 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.

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 of computation of net capital, computation of basic net capital requirement and computation of net capital under rule 15c3-1 of the Securities and Exchange Commission reconciliation as of December 31, 2003 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.

BDO Seidman, LLP

February 18, 2004

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

BROKER OR DEALER

RTA Investments Company 14149

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

as of (MM/DD/YY) 12-31-03

99

SEC FILE NO. 8-34858

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Consolidated

198

Unconsolidated

199

ASSETS

Allowable

Non-Allowable

Total

1. Cash	\$ 32,900	200		\$ 32,900	750
2. Receivables from brokers or dealers:					
A. Clearance account		295			
B. Other		300	\$ 550		810
3. Receivables from non-customers		355	600		830
4. Securities and spot commodities owned, at market value:					
A. Exempted securities		418			
B. Debt securities		419			
C. Options		420			
D. Other securities		424			
E. Spot commodities		430			850
5. Securities and/or other investments not readily marketable:					
A. At cost	\$ 130				
B. At estimated fair value		440	610		860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:		460	630		880
A. Exempted securities	\$ 150				
B. Other securities	\$ 160				
7. Secured demand notes, market value of collateral:		470	640		890
A. Exempted securities	\$ 170				
B. Other securities	\$ 180				
8. Memberships in exchanges:					
A. Owned, at market	\$ 190				
B. Owned, at cost			650		
C. Contributed for use of the company, at market value			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670		910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490	680		920
11. Other assets		535	735		930
12. TOTAL ASSETS	\$ 32,900	540	740	\$ 32,900	940

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

BROKER OR DEALER

RTA Investments Company 14149

as of 12-31-03

**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	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
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	1,076	1385	1,076 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:		1400	1710
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:		1420	1730
1. from outsider: \$	1000		
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	\$ 1,076 1230	\$ 1450	\$ 1,076 1760

Ownership Equity

21. Sole proprietorship		\$ 1770
22. Partnership (limited partners	\$ 1020	\$ 1780
23. Corporation:		
A. Preferred stock		1791
B. Common stock		1,000 1792
C. Additional paid-in capital		15,945 1793
D. Retained earnings		14,879 1794
E. Total		1795
F. Less capital stock in treasury		1796
24. TOTAL OWNERSHIP EQUITY		\$ 31,824 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 32,900 1810

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

BROKER OR DEALER

RTA Investments Company 14149

For the period (MMDDYY) from 01-01-03 **3932** to 12-31-03 **3933**
Number of months included in this statement 12 **3931**

STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange			3935
b. Commissions on listed option transactions			3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
3. Gains or losses on firm securities investment accounts			3952
4. Profit (loss) from underwriting and selling groups			3955
5. Revenue from sale of investment company shares		68,334	3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		306	3995
9. Total revenue		\$ 68,640	4030

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers		\$ 6,497	4120
11. Other employee compensation and benefits			4115
12. Commissions paid to other broker-dealers			4140
13. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements		4070	
14. Regulatory fees and expenses		808	4195
15. Other expenses		18,368	4100
16. Total expenses		\$ 25,673	4200

NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)		\$ 42,967	4210
18. Provision for Federal income taxes (for parent only)			4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of		4238	
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of		4239	
21. Cumulative effect of changes in accounting principles			4225
22. Net income (loss) after Federal income taxes and extraordinary items		\$ 42,967	4230

MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items		\$ 8,346	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

RTA Investments Company 14149

as of 12-31-03

Exemptive Provision Under Rule 15c3-3

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

- | | | |
|---|---|-----|
| A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 | | 455 |
| B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained | X | 456 |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm " " 4335 | | 457 |
| D. (k) (3)—Exempted by order of the Commission | | 458 |

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

BROKER OR DEALER

RTA Investments Company 14149

as of 12-31-03

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition		\$ 31,824	3480
2. Deduct ownership equity not allowable for Net Capital		()	3490
3. Total ownership equity qualified for Net Capital		31,824	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		\$ 31,824	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) ¹⁷ \$		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	3620
7. Other additions and/or allowable credits (List)			3630
8. Net capital before haircuts on securities positions		\$ 31,824	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 ¹⁹		3735	
2. Debt securities		3733	
3. Options		3730	
4. Other securities		3734	
D. Undue Concentration		3650	
E. Other (List)		3736	3740
10. Net Capital		\$ 31,824	3750

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

BROKER OR DEALER	RTA Investments Company 14149	as of 12-31-03
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COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	375
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	375
13. Net capital requirement (greater of line 11 or 12)	\$ 5,000	375
14. Excess net capital (line 10 less 13)	\$ 26,824	377
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$ 26,824	378

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	375
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	388
19. Total aggregate indebtedness	\$	388
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	388
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	388

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	\$	38
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 38	38
24. Net capital requirement (greater of line 22 or 23)	\$	37
25. Excess net capital (line 10 less 24)	\$	39
26. Net capital in excess of:		
5% of combined aggregate debit items or \$120,000	\$	39

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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**

BROKER OR DEALER RTA Investments Company 14149

For the period (MMDDYY) from 01-01-03 to 12-31-03

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period		\$ 15,344	42
A. Net income (loss)		42,967	42
B. Additions (Includes non-conforming capital of	▼ \$	4262	42
C. Deductions (Includes non-conforming capital of	\$	4272	42
		(43,432)	42
2. Balance, end of period (From item 1800)		\$ 14,879	42

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period	▼ \$		43
A. Increases			43
B. Decreases			43
4. Balance, end of period (From item 3520)	\$		43

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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.

Type of Proposed withdrawal or Accrual See below for 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)
▼ 21	4600	4601	4602	4603	4604
▼ 22	4610	4611	4612	4613	4614
▼ 23	4620	4621	4622	4623	4624
▼ 24	4630	4631	4632	4633	4634
▼ 25	4640	4641	4642	4643	4644
▼ 26	4650	4651	4652	4653	4654
▼ 27	4660	4661	4662	4663	4664
▼ 28	4670	4671	4672	4673	4674
▼ 29	4680	4681	4682	4683	4684
▼ 30	4690	4691	4692	4693	4694
TOTAL \$				▼	4699

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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

RTA Investments Company

Statement of Cash flows Year Ended December 31, 2003

Cash flows from operating activities	
Cash commissions and fees received	\$68,499
Cash paid to suppliers and agents	(25,158)
Interest received	140
<hr/>	
Net cash provided by operating activities	43,481
<hr/>	
Cash flows from financing activities	
Distributions to stockholders	(43,432)
<hr/>	
Net cash absorbed by financing activities	(43,432)
<hr/>	
Net increase in cash	49
<hr/>	
Cash, at beginning of year	32,851
<hr/>	
Cash, at year end	\$32,900
<hr/>	
Reconciliation of net income to net cash provided by operating activities	
Net income	\$42,967
Adjustments to reconcile net income to net cash provided by operating activities	
Change in assets and liabilities	
Increase in accounts payable	514
<hr/>	
Net cash provided by operating activities	\$43,481
<hr/>	

See accompanying notes to financial statements.

RTA Investments Company

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission Reconciliation

Net capital at December 31, 2003 from broker dealer's unaudited report	\$32,900
Adjustments to net capital	(1,076)
Net capital at December 31, 2003 from audit report	\$31,824

See accompanying notes to financial statements.

RTA Investments Company

Notes to Financial Statements

1. General

RTA Investments Company was incorporated on July 1, 1985. The Company is authorized to issue 10,000 shares of common stock with a \$1 par value per share. At December 31, 2003, 1,000 shares were issued and outstanding.

The Company is a small broker-dealer in Richmond, Virginia primarily of mutual funds. It receives a commission based on sales under contractual agreements.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

RTA Investments Company has elected to be taxed as an S Corporation. Accordingly, all income, deductions and tax credits of the Company will flow through to the stockholders. Therefore, no provision for income taxes has been included in these financial statements.

2. Other

The December 31, 2003 statement of financial condition reflects \$32,900 of current assets.

3. Net Capital

At December 31, 2003, the Company has net equity and net regulatory capital of \$31,824 which exceeds the regulatory requirement.

Independent Auditors' Report on Internal Control Structure Required by SEC Rule 17a-5

Stockholder
RTA Investments Company
Richmond, Virginia

In planning and performing our audit of the financial statements of RTA Investments Company 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 (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 (or aggregate debits) and net capital rule 17a-3(a)(11) and for determining compliance with the 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 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 the 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 an internal control structure 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 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 SEC'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 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 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.

continued...

Because of inherent limitations in any 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 and 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 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 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 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 on 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 use of management, the Securities and Exchange Commission, the National Association of Securities Dealers and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

BDO Seidman, LLP

Certified Public Accountants

February 18, 2004
Richmond, Virginia