



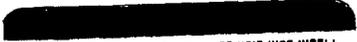
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

PROCESSED

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FINANCIAL



04005661

January 8, 2004

Mr. Todd Carter
President and CEO
Perseus Advisors, LLC
150 California Street
San Francisco, CA 94111

Act	Securities Exchange Act of 1934
Section	17
Rule	17a-5
Public	
Availability	Deleted January 22 2004

Re: Annual Audited Financial Statement Filing Requirements Under Rule 17a-5

Dear Mr. Carter:

We have received your letter, dated December 16, 2003, in which you request on behalf of Perseus Advisors, LLC (the "Firm"), relief from the requirement that the Firm file a certified annual report of financial statements pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 (17 CFR 240.17a-5) for the fiscal year ended December 31, 2003.

I understand the following facts to be pertinent to the Firm's request. The Firm's registration as a broker-dealer with the Securities and Exchange Commission ("Commission") became effective on November 24, 2003. The Firm is required, under paragraph (d) of Rule 17a-5, to file a certified annual report of financial statements on a calendar or fiscal year basis. The report must be as of the same fixed or determinable date each year, unless a change is approved by the Firm's designated examining authority. The Firm chose December 31 as its year-end. Accordingly, an audited report of the Firm's financial statements must be prepared as of December 31, 2003. Because the Firm's registration with the Commission became effective November 24, 2003, you have requested an exemption from filing annual audit reports for the year ended December 31, 2003.

Based on the foregoing facts, the Division of Market Regulation ("Division") will not recommend enforcement action to the Commission if the Firm does not file audited financial statements as of December 31, 2003. The annual report for the year ending December 31, 2004, however, must cover the entire period from November 24, 2003, the effective date of the Firm's registration with the Commission.

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Mr. Todd Carter
January 8, 2004
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This letter expresses a staff position with respect to enforcement only and does not purport to state any legal conclusion on this matter. The Division's position is confined to the facts as described in this letter. Any material change in circumstances may warrant a different conclusion and should be brought immediately to the Division's attention.

Sincerely,



Matthew B. Comstock
Special Counsel

cc: Susan Demando, NASD Regulation, Inc.

Uett

PERSEUS GROUP

December 16, 2003

Thomas McGowan
Assistant Director
SEC Market Regulation
450 5th Street N.W.
Mail Stop 10-1
Washington, DC 20549

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
DEC 18 2003
DIVISION OF MARKET REGULATION

Re: Perseus Advisors, LLC

Dear Mr. Mc Gowan:

I am writing to ask for an exemption from submitting a certified annual financial audit for the period that Perseus Advisors, LLC ("Perseus"), an NASD-registered broker dealer, was operational during calendar year 2003. The firm was authorized to operate as a broker dealer effective 11/24/2003, but we anticipate no significant securities' transactions for the period 11/24/03 - 12/31/03. If granted this exemption, Perseus certified financial audit for 2004 would include the portion of 2003 that the broker dealer was operational. The firm's CRD number is 127835 and the firm's SEC file number is 8-66065.

The purpose for the exemption is to spare my firm from incurring the expense of an audit for the five weeks my firm was operational in 2003. My firm will file the FOCUS IIA report for the quarter ended 12/31/2003, our fiscal year end, and the firm's 2004 audit will include all activity for the five week period of 2003 and all of 2004.

I appreciate your consideration of this matter. Should you have any questions or require additional information, please don't hesitate to call me at 415-318-3610.

Sincerely,



Todd Carter
President and CEO