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

FACING PAGE

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FINANCIAL

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 12/28/02 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

Stephens Inc.

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

111 Center Street

(No. and Street)

Little Rock

(City)

Arkansas

(State)

72201

(Zip Code)

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

Zoe Ann Hines

Senior Vice President

501-377-2166

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

DEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

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

Center Street, Suite 1800

(Address)

Little Rock

(City)

Arkansas

(State)

72201

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant or resident of United States or any of its possessions

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APR 01 2004

THOMSON

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Small text at the bottom of the page, likely a disclaimer or footer.

Handwritten signature or initials.

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Oath or Affirmation

I, Zoe Ann Hines, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Stephens Inc., 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:

NONE


Signature

Subscribed and sworn
to before me
this _____ day of _____ 2004

SENIOR VICE PRESIDENT
Title

Notary Public

This report ** contains (check all applicable boxes)

- (a) Facing page.
- (b) Statement of financial condition.
- (c) Statement of operations.
- (d) Statement of cash flows.
- (e) Statement of changes in stockholder's equity.
- (f) Statement of changes in liabilities subordinated to claims of general creditors (not applicable).
- (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- (i) Information relating to the possession or control requirements for brokers and dealers 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 (not applicable).
- (k) A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation (not applicable).
- (l) An oath or affirmation.
- (m) A copy of the SIPC supplemental report (not required). Rule 15c3-3.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (supplemental report on internal accounting control).
- (o) Schedule of segregation requirements and firm's plan for segregation - customers' regulated commodity needs account pursuant to rule 171-5.

STEPHENS INC.

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STATEMENT OF FINANCIAL CONDITION
 DECEMBER 31, 2003
 (In thousands except share amounts)

ASSETS

Cash and cash equivalents	\$ 3,605
Cash and government securities—segregated under Federal and other regulations	2,272
Receivables from:	31,012
Brokers and dealers	105,143
Customers	22,712
Officers, directors, and affiliates	10,478
Others	14,877
Securities purchased under agreements to resell	101,497
Marketable securities—at fair value	341
Marketable securities pledged as collateral for repurchase agreements—at fair value	5,104
Not readily marketable securities—at estimated fair value	
Furniture, fixtures and equipment and leasehold improvements, at cost—net of accumulated depreciation and amortization of \$32,714	8,441
Deferred income taxes	6,843
Other assets	<u>3,889</u>
TOTAL	<u>\$316,214</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Payables to:	\$ 3,492
Brokers and dealers	60,128
Customers, including free credit balances of \$51,502	32,547
Officers, directors, and affiliates	348
Securities sold under agreements to repurchase	21,870
Securities sold but not yet purchased—at fair value	8,397
Mutual fund administration payable	19,600
Short-term borrowings	<u>42,613</u>
Accrued compensation and other accrued liabilities	<u>188,995</u>
Total liabilities	
Commitments and contingencies (Notes 10, 11, and 12)	
Common stock, no par value, 2,000 shares authorized, issued and outstanding	100,000
Additional paid-in capital	12,000
Retained earnings	<u>15,219</u>
Total stockholder's equity	<u>127,219</u>
TOTAL	<u>127,219</u>

See notes to financial statements.