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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response..... 12.00



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

SEC FILE NUMBER  
8- 48935

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 10/01/03 AND ENDING 09/30/04  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Investscape Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

7001 Orchard Lake Road, #130

(No. and Street)

West Bloomfield

MI

48322

(City)

(State)

(Zip Code)

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

Richard M. Lim

(248) 855-6866

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Dunleavy & Company, P.C.

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

13116 South Western Avenue, Blue Island, Illinois 60406

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

PROCESSED  
DEC 10 2004  
RECEIVED  
NOV 20 2004  
SECURITIES AND EXCHANGE COMMISSION

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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)

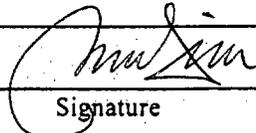
SEC 1410 (06-02)

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, Richard M. Lim, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Investscape Inc., as of September 30, 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:

NONE



Signature

President

Title



Notary Public

**HELENE G. CERESNIE**  
Notary Public, Oakland County, MI  
My Commission Expires 11/08/2007

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. Cash Flows.~~
- (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).

INVESTSCAPE, INC.

STATEMENT OF FINANCIAL CONDITION  
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2004

**DUNLEAVY & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
13116 SOUTH WESTERN AVENUE  
BLUE ISLAND, ILLINOIS 60406

(708) 489-1680  
Fax: (708) 489-1717

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Investscape, Inc.

We have audited the accompanying statement of financial condition of Investscape, Inc. as of September 30, 2004 that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Investscape, Inc. as of September 30, 2004, in conformity with accounting principles generally accepted in the United States of America.



DUNLEAVY & COMPANY, P. C.  
Certified Public Accountants

Blue Island, Illinois  
October 26, 2004

INVESTSCAPE, INC.

STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2004

ASSETS

Cash and cash equivalents	\$ 11,816
Receivable from broker/dealers	76,863
Securities owned, at market value	<u>2,070</u>

TOTAL ASSETS	<u>\$ 90,749</u>
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LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Accounts payable, accrued expenses and other liabilities	\$ 23,699
Commissions payable	<u>25,750</u>

Total Liabilities	<u>\$ 49,449</u>
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Shareholders' Equity

Common stock, no par value; authorized 60,000 shares; issued and outstanding 1,000 shares	\$ 1,000
Additional paid in capital	96,100
Retained earnings (deficit)	<u>(55,800)</u>

Total Shareholders' Equity	<u>\$ 41,300</u>
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TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>\$ 90,749</u>
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The accompanying notes are an integral part of this financial statement.

INVESTSCAPE, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2004

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company is a wholly-owned subsidiary of S & L Holdings, Ltd. and was incorporated in the state of Michigan on October 24, 1995. The Company is registered with the Securities and Exchange Commission and the Commodities Futures Trading Commission and is a member of the National Association of Securities Dealers, Inc. and the National Futures Association. The Company's principal business activity is the sale of securities and futures contracts. Operations began in June, 1996.

Securities Transactions - Commission revenue and related expense arising from securities transactions are recorded on a trade date basis, which is the same business day as the transaction date.

Securities Owned - Marketable securities are valued at market value and securities not readily marketable are valued at fair value as determined by the Board of Directors. The resulting difference between cost and market value (or fair value) is included in income.

Cash Equivalents - Cash equivalents are defined as certificates of deposit and U.S. government obligations with a maturity date, when acquired by the Company, of less than 90 days and those securities registered under the Investment Company Act of 1940 which are comprised of cash and other short-term debt instruments and are commonly referred to as "money market funds."

Estimates - 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.

NOTE 2 - SECURITIES OWNED

Securities owned consist entirely of equity securities.

INVESTSCAPE, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2004

NOTE 3 - RELATED PARTY TRANSACTIONS

As mentioned in Note 1, the Company is a wholly-owned subsidiary of S & L Holdings, Ltd. (the Parent). The Company is also affiliated, through common ownership with Investscape-Chicago LLC and Electronic Trading Technologies LLC d/b/a Greenlight Mortgage.

Pursuant to an agreement, entered into with the Parent, the Company is required to pay the Parent a minimum of \$25,000 per month as reimbursement for certain overhead and operating expenses. Payments pursuant to this agreement, which total \$483,189, are allocated as follows, in the statement of income:

Compensation and related benefits	\$ 109,200
Occupancy	40,800
Communications	112,800
Management fees	183,189
Other operating expenses	<u>37,200</u>
	<u>\$ 483,189</u>

At September 30, 2004 the Company owed the Parent \$10,000.

The Company files consolidated with the Parent for federal income tax purposes. The Parent assumes responsibility for all federal income tax liabilities.

NOTE 4 - OFF BALANCE SHEET RISK AND CLEARING AGREEMENTS

The Company enters into various transactions on customers' behalf, involving derivatives and other off-balance sheet financial instruments. These financial instruments include futures and exchange-traded and over the counter options. These derivative financial instruments are used to meet the needs of customers and are, therefore, subject to varying degrees of market and credit risk.

INVESTSCAPE, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2004

NOTE 4 - OFF BALANCE SHEET RISK AND CLEARING AGREEMENTS - *(Continued)*

As a seller (writer) of options, the customer receives a premium in exchange for giving the counter-party the right to buy or sell the underlying security at a future date at a contracted price. Should the market value of the underlying security move in favor of the option holder (owner), the loss of the option seller (writer) would be equal to the difference between the price per unit contracted for in the option agreement and the market value of the underlying security.

In addition, the Company's customers may sell securities that they do not currently own and will therefore be obligated to purchase such securities at a future date.

Since the Company enters into the forgoing transactions involving derivatives and other off-balance sheet financial instruments solely for the benefit of its customers, the Company does not bear any of the credit or market risk of those customers, with the exception of the risk to the Company should its customers fail to honor their obligations related to the foregoing derivatives and other off-balance sheet financial instruments, as mentioned below.

In order to facilitate all of the aforementioned transactions on behalf of its customers the Company has entered into an agreement with another broker/dealer (Clearing Broker/dealer) whereby the Company forwards (introduces) customer securities transactions to the Clearing Broker/dealer, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced securities transactions is performed by the Clearing Broker/dealer. The customer account is therefore maintained and recorded in the books and records of the Clearing Broker/dealer on the Company's behalf. In addition, the Company has also entered into agreements with two Futures Commission Merchants (FCM's) to forward (introduce) customer transactions involving the purchase and sale of futures, forward and foreign exchange contracts, delayed deliveries and other financial instruments to the FCM's, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced transactions are performed by the FCM's. The customer account is therefore maintained and recorded in the books and records of the FCM's on the Company's behalf. In consideration for introducing customers to both the

INVESTSCAPE, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2004

NOTE 4 - OFF BALANCE SHEET RISK AND CLEARING AGREEMENTS - *(Continued)*

Clearing Broker/dealer and FCM's, the Company receives commissions and other consideration, less the processing and other charges of the Clearing Broker/dealer and FCM's. As part of the terms of the agreements between the Company and Clearing Broker/dealer and the Company and FCM's, the Company is held responsible for any losses arising when the customers introduced by the Company to the Clearing Broker/dealer or FCM's fail to meet their contractual commitments pertaining to the purchase, sale and possible financing of securities transactions and other financial instruments. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is unable to fulfill their contracted obligations and it is necessary for the Clearing Broker/dealer or FCM's to purchase or sell the securities, futures or other financial instruments at a loss. The Company's exposure to risk would consist of the amount of the loss realized and any additional expenses incurred pertaining to the transaction or other customer activity.

In addition, under the terms of the agreement with the Clearing Broker/dealer, the Company is prohibited from entering into an agreement for similar services with another broker/dealer without prior written approval by the clearing broker/dealer. The Company has also agreed to regulatory arbitration regarding disputes between the Company and the clearing broker/dealer. The Company is required to deposit \$25,000 with the clearing broker/dealer to assure the Company's performance under the agreement.

NOTE 5 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the National Association of Securities Dealers, Inc. and the National Futures Association, the Company is subject to the Uniform Net Capital Rule and CFTC Regulation 1.17(A)(1)(ii), 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 1500%. At September 30, 2004 the Company's net capital and required net capital were \$40,989 and \$30,000 respectively. The ratio of aggregate indebtedness to net capital was 121%.