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

| |
|-----------------|
| SEC FILE NUMBER |
| 8-25091 |

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

BEST AVAILABLE COPY

NAME OF BROKER-DEALER:

GRIFFIN, KUBIK, STEPHENS & THOMPSON, INC.

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

300 Sears Tower, 233 South Wacker Drive

(No. and Street)

Chicago
(City)

IL
(State)

60606
(Zip Code)

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

Mary Lee Corrigan

(312) 441-2500

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Crowe Chizek and Company LLC

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

One Mid America Plaza, Suite 700, P.O. Box 3697
(Address)

Oak Brook IL
(City) (State)

60522-3697
(Zip Code)



CHECK ONE:

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

PROCESSED

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FINANCIAL

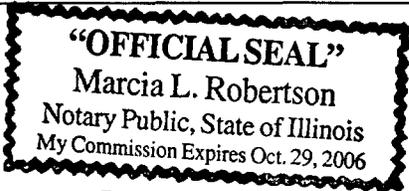
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

12/1/04

OATH OR AFFIRMATION

I, Mary Lee Corrigan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GRIFFIN, KUBIK, STEPHENS & THOMPSON, 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:



Mary Lee Corrigan
Signature

Chief Financial Officer
Title

Marcia L. Robertson
Notary Public

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 (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 or 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 Auditors' Report on Internal Control Required by SEC Rule 17a-5

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

GRIFFIN, KUBIK, STEPHENS & THOMPSON, INC.
STATEMENT OF FINANCIAL CONDITION
(Dollars in thousands, except share data)
September 30, 2004

ASSETS

| | | |
|---|------------|----------------------|
| Cash | | \$ 426 |
| Broker/dealer receivables | | 40 |
| Customer receivables | | 1,891 |
| Securities owned, at market value | | |
| State and municipal obligations | \$ 26,648 | |
| U.S. government and federal agency securities | 36,932 | |
| Corporate debt securities | <u>544</u> | 64,124 |
| Accrued interest receivable | | 430 |
| Office furnishings and equipment, at cost less accumulated depreciation of \$3,072 | | 469 |
| Other assets | | <u>7,370</u> |
| Total assets | | <u>\$ 74,750</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

| | |
|---|--------------|
| Clearing organization payable | \$ 32,198 |
| Broker/dealer payables | 12,346 |
| Customer payables | 280 |
| Accrued compensation, accounts payable, and other liabilities | <u>6,899</u> |
| Total liabilities | 51,723 |

Stockholders' equity

| | |
|---|---------------|
| Class A voting common stock, \$.02 par value; 50,000 shares authorized, 37,500 shares issued and outstanding | 1 |
| Class B nonvoting common stock, \$.02 par value; 100,000 shares authorized, 26,635 issued; 26,518 shares outstanding | - |
| Additional paid-in capital | 3,925 |
| Retained earnings | <u>19,146</u> |
| | 23,072 |
| Less treasury stock, 117 shares at cost | <u>45</u> |
| Total stockholders' equity | <u>23,027</u> |

Total liabilities and stockholders' equity \$ 74,750

The accompanying notes are an integral part of these financial statements.