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MISSION

OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
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hours per response . . . 12.00

SECURITIES AND EXCHANGE COMMISSION
RECEIVED

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

SEC FILE NUMBER
8- 18394

NOV 24 2004

FACING PAGE

**DIVISION OF MARKET REGULATION 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:

Rosenthal International Limited

OFFICIAL USE ONLY
FIRM ID. NO.

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

1370 Broadway

(No. and Street)

New York

NY

(City)

(State)

DEC 09 2004

THOMSON
FINANCIAL

10018

(Zip Code)

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

John Clark

(212) 356-1425

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Marks Paneth & Shron LLP

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

622 Third Avenue

(Address)

New York

(City)

RECEIVED 10017 NY (State) Zip Code
MAR 1 2004
U.S. SECURITIES AND EXCHANGE COMMISSION
MIDWEST REGIONAL OFFICE
BROKER-DEALER INSPECTION PROGRAM

CHECK ONE:

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

FOR OFFICIAL USE ONLY

*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).

LM
KAA

OATH OR AFFIRMATION

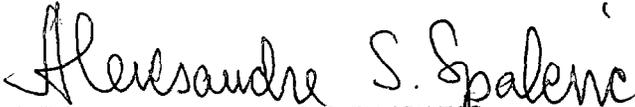
I, Stephen J. Rosenthal, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Rosenthal International Limited, as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the 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:



Signature

C.E.O

Title



ALEXANDRA S. SPALEVIC
NOTARY PUBLIC, State of New York
No. 01SP5085314
Qualified in New York County
Commission Expires September 22, 2008

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.
- (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 Control.

**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 II 11

3/90

(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

Rosenthal International Limited 13

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

1370 Broadway 20

(No. and Street)

New York 21

NY 22

10018 23

(City)

(State)

(Zip Code)

SEC FILE NO.

8-18394 14

FIRM ID. NO.

13-2929674 15

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/2003 24

AND ENDING (MM/DD/YY)

12/31/2003 25

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

John Clark 30

(Area Code)—Telephone No.

(212) 356-1425 31

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

OFFICIAL USE 33

32

34

36

38

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 _____ day of _____ 19 _____

Manual signatures of:

1) _____
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. 78:(a))

WORKING COPY

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

BROKER OR DEALER
▼ Rosenthal International Limited

N2

100

STATEMENT OF FINANCIAL CONDITION

As of (MM/DD/YY) 12/31/2003

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SEC FILE NO. 8-18394

98

Consolidated
Unconsolidated

198

199

ASSETS

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 58,900		\$ 58,900
2. Cash segregated in compliance with federal and other regulations	210		760
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements"	220		
2. Other	230		770
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements"	240		
2. Other	250		780
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	260		
2. Other	270		790
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	280		
2. Other	290		800
E. Other	300	\$ 550	\$ 810
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts	310		
2. Partly secured accounts	320	560	
3. Unsecured accounts		570	
B. Commodity accounts	330	580	
C. Allowance for doubtful accounts	(335)	(590)	820
5. Receivables from non-customers:			
A. Cash and fully secured accounts	340		
B. Partly secured and unsecured accounts	350	600	830
6. Securities purchased under agreements to resell	360	605	840
7. Securities and spot commodities owned, at market value:			
A. Bankers acceptances, certificates of deposit and commercial paper	100,000 370		
B. U.S. and Canadian government obligations	380		
C. State and municipal government obligations	390		
D. Corporate obligations	400		

OMIT PENNIES

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

STATEMENT OF FINANCIAL CONDITION

ASSETS

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants	▼ \$ 410		
F. Options	420		
G. Arbitrage	422		
H. Other securities	424		
I. Spot commodities	430		\$ 100,000 850
8. Securities owned not readily marketable:			
A. At Cost ▼ \$ 130			
B. At estimated fair value	440	\$ 610	850
9. Other investments not readily marketable:			
A. At Cost . . \$ 140			
B. At estimated fair value	450	620	870
10. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities . . \$ 150			
B. Other . . . \$ 160	▼ 460	630	880
11. Secured demand notes- market value of collateral:			
A. Exempted securities . . \$ 170			
B. Other . . . \$ 180	470	640	890
12. Memberships in exchanges:			
A. Owned, at market value \$ 190			
B. Owned at cost		650	
C. Contributed for use of company, at market value		▼ 660	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	728,421 670	▼ 728,421 910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization)	490	680	920
15. Other Assets:			
A. Dividends and interest receivable	500	690	
B. Free shipments	510	700	
C. Loans and advances	520	710	
D. Miscellaneous	▼ 1,365 530	720	1,365 930
16. TOTAL ASSETS	\$ 160,265 540	\$ 728,421 740	\$ 888,686 940

OMIT PENNIES

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements"	\$ 1030	\$ 1240	\$ 1460
B. Other	1040	1250	1470
18. Securities sold under repurchase agreements ..		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements"	1050	1270	1490
2. Other	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements"	1070		1510
2. Other	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	1090		1530
2. Other	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	1100		1550
2. Other	1105	1310	1560
E. Other	1110	1320	1570
20. Payable to customers:			
A. Securities accounts including free credits of	\$ 950		1580
B. Commodities accounts	1120	1330	1590
21. Payable to non-customers:			
A. Securities accounts	1140	1340	1600
B. Commodities accounts	1150	1350	1610
22. Securities sold not yet purchased at market value including arbitrage of		\$ 960	1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		1630
B. Accounts payable	1170		1640
C. Income taxes payable	1180		1650
D. Deferred income taxes	3,750	1370	1660
E. Accrued expenses and other liabilities	1190		1670
F. Other	1200	1380	1680

OMIT PENNIES

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
24. Notes and mortgages payable:			
A. Unsecured	\$ 1210		\$ 1690
B. Secured	1211	\$ 1390	1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings		1400	1710
1. from outsiders ²⁴ \$	970		
2. Includes equity subordination (15c3-1 (d)) of	\$ 980		
B. Securities borrowings, at market value;		1410	1720
from outsiders \$	990		
C. Pursuant to secured demand note collateral agreements;		1420	1730
1. from outsiders \$	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
26. TOTAL LIABILITIES	\$ 3,750 1230	\$ 1450	\$ 3,750 1760

Ownership Equity

27. Sole proprietorship		\$ 1770
28. Partnership- limited partners	\$ 1020	1780
29. Corporation:		
A. Preferred stock		1791
B. Common stock		250,000 1792
C. Additional paid-in capital		1793
D. Retained earnings		634,936 1794
E. Total		1795
F. Less capital stock in treasury		1796
30. TOTAL OWNERSHIP EQUITY		\$ 884,936 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 888,686 1810

OMIT PENNIES

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	884,936	3480
2. Deduct: Ownership equity not allowable for net capital	(3490
3. Total ownership equity qualified for net capital		884,936	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	\$	884,936	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C)	\$	728,421	3540
1. Additional charges for customers' and non-customers' security accounts			3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:			3570
1. Number of items	▼ ₂₉	3450	
C. Aged short security differences-less reserve of	\$	3460	3580
number of items		3470	▼ ₃₀
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities proprietary capital charges			3600
F. Other deductions and/or charges			3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ..			3615
H. Total deductions and/or charges	(748,421	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	136,515	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. Bankers' acceptances, certificates of deposit and commercial paper	▼ ₃₁	3680	
2. U.S. and Canadian government obligations		3690	
3. State and municipal government obligations		3700	
4. Corporate obligations		3710	
5. Stocks and warrants		3720	
6. Options		3730	
7. Arbitrage		3732	
8. Other securities	▼ ₃₂	3734	
D. Undue concentration			3650
E. Other (list)			3736
10. Net Capital	\$	136,515	3750

OMIT PENNIES

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	250	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	25,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	25,000	3760
14. Excess net capital (line 10 less 13)	\$	111,515	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	136,140	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	3,750	3790
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
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (vii))	\$		3838
19. Total aggregate indebtedness	\$	3,750	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	2.75	3850
21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 ÷ by line 10 less Item 4880 page 11)	%	2.75	3853

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	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8)	%		3851
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits (line 10 less Item 4880 page 11 ÷ by line 17 page 8)	%		3854
28. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$		3920

OTHER RATIOS

Part C

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	.4218	3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital	%		3852

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 notes 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.

PA FINANCIAL AND OPERATIONAL COMBINED UNIFORM STATEMENT REPORT

BROKER OR DEALER Rosenthal International Limited	For the period (MMDDYY) from 01/01/2003 to 12/31/2003	3933
	Number of months included in this statement	3931

REVENUE

STATEMENT OF INCOME (LOSS)

1. Commissions:			
a. Commissions on transactions in listed equity securities executed on an exchange	\$		3935
b. Commissions on transactions in exchange listed equity securities executed over-the-counter			3937
c. Commissions on listed option transactions			3938
d. All other securities commissions	▼		3939
e. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in over-the-counter equity securities			3941
i. Includes gains or (losses) OTC market making in exchange listed equity securities		3943	
b. From trading in debt securities			3944
c. From market making in options on a national securities exchange			3945
d. From all other trading			3948
e. Total gains or (losses)			3950
3. Gains or losses on firm securities investment accounts			
a. Includes realized gains (losses)		4235	
b. Includes unrealized gains (losses)		4236	
c. Total realized and unrealized gains (losses)	▼		3952
4. Profits or (losses) from underwriting and selling groups			3955
a. Includes underwriting income from corporate equity securities		4237	
5. Margin interest			3960
6. Revenue from sale of investment company shares			3970
7. Fees for account supervision, investment advisory and administrative services			3975
8. Revenue from research services			3980
9. Commodities revenue			3990
10. Other revenue related to securities business	▼	28,615	3985
11. Other revenue <u>Recovery of bad debts</u>		4,466	3995
12. Total revenue	\$	33,081	4030

EXPENSES

13. Registered representatives' compensation	\$	8,000	4110
14. Clerical and administrative employees' expenses		5,000	4040
15. Salaries and other employment costs for general partners, and voting stockholder officers			4120
a. Includes interest credited to General and Limited Partners capital accounts		4130	
16. Floor brokerage paid to certain brokers (see definition)			4055
17. Commissions and clearance paid to all other brokers (see definition)	▼		4145
18. Clearance paid to non-brokers (see definition)			4135
19. Communications		2,000	4060
20. Occupancy and equipment costs			4080
21. Promotional costs			4150
22. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements		4070	
23. Losses in error account and bad debts			4170
24. Data processing costs (including service bureau service charges)	▼		4186
25. Non-recurring charges			4190
26. Regulatory fees and expenses		54	4195
27. Other expenses		4,220	4100
28. Total expenses	\$	19,274	4200

NET INCOME

29. Income (loss) before Federal income taxes and items below (Item 12 less Item 28)	\$	13,807	4210
30. Provision for Federal income taxes (for parent only)		2,038	4220
31. Equity in earnings (losses) of unconsolidated subsidiaries not included above	▼		4222
a. After Federal income taxes of	▼	4238	
32. Extraordinary gains (losses)			4224
a. After Federal income taxes of		4239	
33. Cumulative effect of changes in accounting principles			4225
34. Net income (loss) after Federal income taxes and extraordinary items	\$	11,769	4230

MONTHLY INCOME

35. Income (current month only) before provision for Federal income taxes and extraordinary items	\$		4211
----------------------------------------------------------------------------------------------------------------	----	--	-------------

BROKER OR DEALER

as of 12/31/2003

Rosenthal International Limited

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALERS UNDER RULE 15c3-3
(See Rule 15c3-3, Exhibit A and Related Notes)

CREDIT BALANCES

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3)	\$	4340
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B)		4350
3. Monies payable against customers' securities loaned (see Note C)		4360
4. Customers' securities failed to receive (see Note D)		4370
5. Credit balances in firm accounts which are attributable to principal sales to customers		4380
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days		4390
7. **Market value of short security count differences over 30 calendar days old		4400
8. **Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days		4410
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days		4420
10. Other (List)		4425
11. TOTAL CREDITS	\$	NONE 4430

DEBIT BALANCES

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3	\$	4440
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		4450
14. Failed to deliver of customers' securities not older than 30 calendar days		4460
15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (See Note F)		4465
16. Other (List)		4469
17. **Aggregate debit items	\$	4470
18. **less 3% (for alternative method only — see Rule 15c3-1 (f) (5) (ii))	(4471
19. **TOTAL 15c3-3 DEBITS	\$	4472

RESERVE COMPUTATION

20. Excess of total debits over total credits (line 19 less line 11)	\$	NONE 4480
21. Excess of total credits over total debits (line 11 less line 19)		4490
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits		4500
23. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period		4510
24. Amount of deposit (or withdrawal) including \$ 4515 value of qualified securities		4520
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ 4525 value of qualified securities	\$	4530
26. Date of deposit (MMDDYY)		4540

OMIT PENNIES

FREQUENCY OF COMPUTATION

27. Daily 4332 Weekly 4333 Monthly 4334

**In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

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

BROKER OR DEALER Rosenthal International Limited	as of <u>12/31/2003</u>
------------------------------------------------------------	-------------------------

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)**

EXEMPTIVE PROVISIONS

28. 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	\$		4550
B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained			4560
C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <u>4335</u>			4570
D. (k) (3)—Exempted by order of the Commission			4580

Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and the number of items of:

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. Notes A and B	\$	NONE	4586
A. Number of Items		NONE	4587
2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B, C and D	\$	NONE	4588
A. Number of Items	\$	NONE	4589
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3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3		Yes <input checked="" type="checkbox"/>	4584
		No <input type="checkbox"/>	4585

NOTES

- A—Do not include in item one customers' fully paid and excess margin securities required by Rule 15c 3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent within the time frames specified under Rule 15c3-3.
- B—State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C—Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D—Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION

CUSTOMERS' REGULATED COMMODITY FUTURES ACCOUNTS

SEGREGATION REQUIREMENTS

1. Net ledger balance:	
A. Cash	\$ <u>7010</u>
B. Securities (at market)	<u>7020</u>
2. Net unrealized profit (loss) in open futures contracts traded on a contract market	<u>7030</u>
3. Exchange traded options:	
A. Add: Market Value of open option contracts purchased on a contract market	<u>7032</u>
B. Deduct: Market Value of open option contracts granted (sold) on a contract market	(<u>7033</u>)
4. Net equity (deficit) (total of 1, 2 and 3)	<u>7040</u>
5. Add accounts liquidating to a deficit and accounts with debit balances with no open trades	<u>7050</u>
6. Amount required to be segregated (total of 4 and 5)	<u>7060</u>

FUNDS ON DEPOSIT IN SEGREGATION

7. Deposited in segregated funds bank accounts:	
A. Cash	\$ <u>7070</u>
B. Securities representing investments of customers' funds (at market)	<u>7080</u>
C. Securities held for particular customers or option customers in lieu of cash (at market)	<u>7090</u>
8. Margins on deposit with clearing organizations of contract markets:	
A. Cash	<u>7100</u>
B. Securities representing investments of customers' funds (at market)	<u>7110</u>
C. Securities held for particular customers or option customers in lieu of cash (at market)	<u>7120</u>
9. Settlement due from (to) clearing organizations of contract markets	<u>7150</u>
10. Exchange traded options:	
A. Add: Unrealized receivables for option contracts purchased on contract markets	<u>7132</u>
B. Deduct: Unrealized obligations for option contracts granted (sold) on contract markets	<u>7133</u>
11. Net equities with other FCMs	<u>7140</u>
12. Segregated funds on hand:	
A. Cash	<u>7150</u>
B. Securities representing investments of customers' funds (at market)	<u>7160</u>
C. Securities held for particular customers in lieu of cash (at market)	<u>7170</u>
13. Total amount in segregation (total of 7 through 12)	\$ <u>7160</u>
14. Excess (insufficiency) funds in segregation (13 minus 6)	\$ <u>7160</u>

NONE

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

BROKER OR DEALER
Rosenthal International Limited

as of 12/31/2003

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)
4600	4601	4602	\$ 4603	4604	4605
4610	4611	4612	4613	4614	4615
4620	4621	4622	4623	4624	4625
4630	4631	4632	4633	4634	4635
4640	4641	4642	4643	4644	4645
4650	4651	4652	4653	4654	4655
4660	4661	4662	4663	4664	4665
4670	4671	4672	4673	4674	4675
4680	4681	4682	4683	4684	4685
4690	4691	4692	4693	4694	4695
TOTAL \$			NONE	4699*	

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*To agree with the total on Recap (Item No. 4880)

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

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
Capital Withdrawals
PART II

BROKER OR DEALER
 Rosenthal International Limited

For the period (MMDDYY) from 01/01/2003 to 12/31/2003

RECAP

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of net capital.

1. Equity Capital

A. Partnership Capital:

1. General Partners	Y \$	4700
2. Limited		4710
3. Undistributed Profits		4720
4. Other (describe below)		4730
5. Sole Proprietorship		4735

B. Corporation Capital:

1. Common Stock		4740
2. Preferred Stock		4750
3. Retained Earnings (Dividends and Other)	Y	4760
4. Other (describe below)		4770

2. Subordinated Liabilities

A. Secured Demand Notes		4780
B. Cash Subordinations		4790
C. Debentures		4800
D. Other (describe below)		4810

3. Other Anticipated Withdrawals

A. Bonuses		4820
B. Voluntary Contributions to Pension or Profit Sharing Plans	Y	4860
C. Other (describe below)		4870

Total \$ 4880

4. Description of Other

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

1. Balance, beginning of period		\$ 873,167	4240
A. Net income (loss)		11,769	4250
B. Additions (Includes non-conforming capital of	\$ 4262	Y	4260
C. Deductions (Includes non-conforming capital of	\$ 4272)	4270
2. Balance, end of period (From Item 1800)		\$ 884,936	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period		\$ NONE	4300
A. Increases			4310
B. Decreases		(4320
4. Balance, end of period (From item 3520)		\$ NONE	4330

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

BROKER OR DEALER
Rosenthal International

as of 12/31/2003

FINANCIAL AND OPERATIONAL DATA

1. Month end total number of stock record breaks unresolved over three business days		Valuation		Number	
A. Breaks long	\$	4890		4900	
B. Breaks short	\$	4910		4920	
2. Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter? (Check one)					
A) If response is negative attach explanation of steps being taken to comply with Rule 17a-13.		Yes	<input checked="" type="checkbox"/>	4930	No
					<input type="checkbox"/>
3. Personnel employed at end of reporting period:					
A. Income producing personnel		1		4950	
B. Non-income producing personnel (all other)		1		4960	
C. Total		2		4970	
4. Actual number of tickets executed during current month of reporting period				0	4980
5. Number of corrected customer confirmations mailed after settlement date				0	4990
		No. of Items	Debit (Short Value)	No. of Items	Credit (Long Value)
6. Money differences	\$	5000	\$	5020	\$
7. Security suspense accounts	\$	5040	\$	5060	\$
8. Security difference accounts	\$	5080	\$	5100	\$
9. Commodity suspense accounts	\$	5120	\$	5140	\$
10. Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days					
	\$	5160	\$	5180	\$
11. Bank account reconciliations-unresolved amounts over 30 calendar days					
	\$	5200	\$	5220	\$
12. Open transfers over 40 calendar days, not confirmed					
	\$	5240	\$	5260	\$
13. Transactions in reorganization accounts-over 60 calendar days					
	\$	5280	\$	5300	\$
14. Total	\$	NONE 5320	\$	5340	\$
15. Failed to deliver 5 business days or longer (21 business days or longer in the case of Municipal Securities)					
		No. of Items	Ledger Amount	Market Value	
	\$	5360	\$	5361	\$
16. Failed to receive 5 business days or longer (21 business days or longer in the case of Municipal Securities)					
	\$	5363	\$	5364	\$
17. Security concentrations (See instructions in Part I)					
A. Proprietary positions	\$			5370	
B. Customers' accounts under Rule 15c3-3	\$			5374	
18. Total of personal capital borrowings due within six months					
	\$			N/A 5378	
19. Maximum haircuts on underwriting commitments during the period					
	\$			N/A 5380	
20. Planned capital expenditures for business expansion during next six months					
	\$			NONE 5382	
21. Liabilities of other individuals or organizations guaranteed by respondent					
	\$			NONE 5384	
22. Lease and rentals payable within one year					
	\$			5386	
23. Aggregate lease and rental commitments payable for entire term of the lease					
A. Gross	\$			N/A 5388	
B. Net	\$			N/A 5390	

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**Marks Paneth
& Shron** LLP

*Certified Public Accountants
and Consultants*

Independent Auditors' Report on Internal Control

Board of Directors
Rosenthal International Limited

In planning and performing our audit of the consolidated financial statements and supplemental schedules of Rosenthal International Limited (the Company), for the year ended December 31, 2003, we considered its internal control, including control activities 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 internal control.

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 under 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 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 internal control 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 controls 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 internal control 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 the 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.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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.

622 Third Avenue
New York, NY 10017-6701
Telephone 212 503 8800
Facsimile 212 370 3759

88 Froehlich Farm Boulevard
Woodbury, NY 11797-2921
Telephone 516 992 5900
Facsimile 516 992 5800

Website www.markspaneth.com



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Our consideration of internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including control activities for safeguarding securities, 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 information and use of management, the SEC, the National Association of Securities Dealers, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Markus Panth & Shum LLP

February 20, 2004

ROSENTHAL INTERNATIONAL LIMITED

Financial Statements

December 31, 2003

CONFIDENTIAL



Marks Paneth
& Shron LLP

*Certified Public Accountants
and Consultants*

Independent Auditors' Report

Board of Directors
Rosenthal International Limited

We have audited the accompanying statement of financial condition of Rosenthal International Limited as of December 31, 2003, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. 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 audit 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 Rosenthal International Limited 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 supplementary schedules of Computation and Reconciliation of Net Capital Pursuant to Rule 15c3-1, Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3 and the schedules contained on pages 10 through 13 of the financial and operational combined uniform single report 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 under the Securities Exchange Act of 1934. 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.

Marks Paneth & Shron LLP

February 20, 2004

622 Third Avenue
New York, NY 10017-6701
Telephone 212 503 8800
Facsimile 212 370 3759

88 Froehlich Farm Boulevard
Woodbury, NY 11797-2921
Telephone 516 992 5900
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Website www.markspaneth.com
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ROSENTHAL INTERNATIONAL LIMITED

Statement of Cash Flows

For The Year Ended December 31, 2003

CASH FLOW FROM OPERATING ACTIVITIES:

Net income		\$ 11,769
Changes in assets and liabilities		
Receivable from affiliate	\$ (11,765)	
Other assets	3,230	
Other liabilities	<u>1,250</u>	
Total adjustments		<u>(7,285)</u>
Net cash for operating activities		4,484

CASH FLOW FROM INVESTING ACTIVITIES:

CASH AND CASH EQUIVALENT- beginning of year	<u>154,416</u>
CASH AND CASH EQUIVALENT- end of year	<u>\$ 158,900</u>

Supplemental Disclosure of Cash Flow Information

Cash payments for:

Income taxes	<u>\$ 5,008</u>
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The accompanying notes are an integral part of the financial statements.

ROSENTHAL INTERNATIONAL LIMITED

Notes to Financial Statements

For The Year Ended December 31, 2003

NOTE 1: ORGANIZATION AND NATURE OF BUSINESS

Rosenthal International Limited (the Company) was incorporated on January 12, 1968 in the Bahama Islands under Chapter 184 of the Bahamas Company Act. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD).

The Company currently has limited activity consisting of holding cash for its own account.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) Securities transactions, purchases and sales, are recorded on the settlement date. Generally, payment for the securities and delivery of same are made on the same date.
- (b) All positions of the Respondent in debt securities or debt obligations are shown net of any position or interest therein, which has been sold by the Respondent participated out to other investors.
- (c) The "Market Value" of each debt obligation (including a series of notes constituting a group or a single issuance or purchase) is determined on the date of its acquisition by the Respondent, by discounting its face value to produce a yield equivalent to that rate of interest per annum at which such obligations of the particular issuer would be marketable in the markets maintained by dealers, banks and institutional investors in the United States, Canada, Bahamas and Western Europe for the same or similar issues.
- (d) For cash flow purposes, the Company considers cash in banks and investments in securities with an original maturity of three months or less to be cash equivalents.
- (e) The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Actual results could differ from these estimates.

NOTE 3: NET CAPITAL

Pursuant to the net capital provisions of Rule 15c3-1 or the Securities Exchange Act of 1934, the Respondent is required to maintain a minimum net capital as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2003, the Respondent had net capital and net capital requirements of approximately \$136,515 and \$25,000, respectively. The Respondent's aggregate indebtedness to net capital ratio was 2.75 %.

ROSENTHAL INTERNATIONAL LIMITED

Notes to Financial Statements (continued)

For The Year Ended December 31, 2003

NOTE 4: SECURITIES INVESTOR PROTECTION CORPORATION

Pursuant to Regulation 240.17a-5(e) (4) the Company is a member of the Security Investor Protection Corporation (SIPC), and is subject only to the minimum annual assessment. The Company has filed its SIPC-7 general reconciliation form accordingly.

NOTE 5: RELATED PARTY TRANSACTIONS

The Company has assessed interest at .5% under prime on outstanding balance due from the related party. As of December 31, 2003 the balance due from the related party is \$728,421. For the year ending December 31, 2003, the Company earned \$25,765 of interest income and incurred overhead charges of \$15,000, which were paid to the affiliated company.

NOTE 6: INCOME TAXES

The components of the income tax liability for the year ended December 31, 2003 are as follows:

Federal Tax	\$ 2,038
New York State and City Tax	<u>2,970</u>
	<u>\$ 5,008</u>

ROSENTHAL INTERNATIONAL LIMITED

Reconciliation of Net Capital

Audited and Unaudited

December 31, 2003

Unaudited net capital	\$ 124,131
Increase in other assets	1,365
Increase in other liabilities	(3,750)
Reduction of taxes payable	<u>14,769</u>
Audited net capital	<u>\$ 136,515</u>

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

ROSENTHAL INTERNATIONAL LIMITED
RECONCILIATION OF NET PROFIT BETWEEN

Audited and Unaudited
Statement of Financial Condition

December 31, 2003

Unaudited net profit	\$ 24,781
Increase in other expenses	(16,250)
Reduction of tax expense	<u>3,238</u>
Audited net profit	<u>\$ 11,769</u>

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