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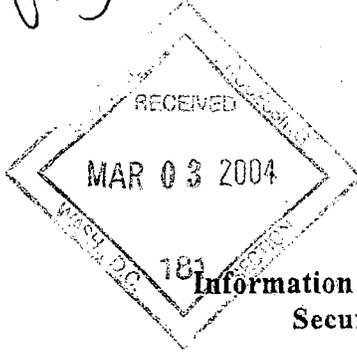


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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AM 3/17/2004

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

SEC FILE NUMBER
8- 47683

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 January 1, 2003 AND ENDING December 31, 2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Kyson & Co

OFFICIAL USE ONLY
FIRM I.D. NO.

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

411 E. Huntington Dr., #212

Arcadia, California 91006
(City) (No. and Street) (State) (Zip Code)

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

Kao Sheng Lin, President 626 821-9816

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizabeth Tractenberg, CPA

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

10680 W. Pico Blvd., Suite 260, Los Angeles, CA 90064

(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

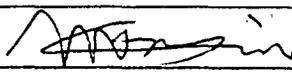
MAR 31 2004

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THOMSON FINANCIAL

*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)

OATH OR AFFIRMATION

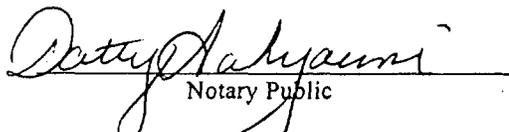
I, Kao Sheng Lin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Kyson & Co., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Signature

PRESIDENT

Title


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~~ 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).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Los Angeles } ss.

On February 25, 2004 before me, Dotty Sahyouni,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Kao Sheng Lin,
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.
Dotty Sahyouni
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

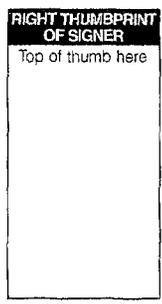
Description of Attached Document

Title or Type of Document: Annual Audit Report
Document Date: 12-31-03 Number of Pages: 2
Signer(s) Other Than Named Above: NA

Capacity(ies) Claimed by Signer

- Signer's Name: Kao Sheng Lin
- Individual
 - Corporate Officer — Title(s): President
 - Partner — Limited General
 - Attorney-in-Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

Signer Is Representing: Self



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2003

KYSON & CO.

411 E. HUNTINGTON DR., SUITE 212

ARCADIA, CA 91006

CONTENTS

PART I

Independent Auditor's Report	1
Statement of Financial Condition	2
Statement of Income	3
Statement of Changes in Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

SCHEDULES

Operating Expenses	7 - 8
Computation of Net Capital pursuant to Rule 15c3-1 of the Securities and Exchange Commission	9 - 10

PART II

Independent Auditor's Report on Internal Accounting Control Required by Sec Rule 17a-5	11 - 12
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ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kyson & Co., Inc.
Arcadia, California

I have audited the accompanying statement of financial condition of Kyson & Co., Inc., (the Company) as of December 31, 2003 and related statements of operations, cash flows, and changes in stockholders' equity for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2003 and the results of its operations, cash flows and stockholders' equity for the year then ended in conformity with accounting principles generally accepted in the United States.

My 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 Information on pages 10 to 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements but includes supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Elizabeth Tractenberg, CPA
Los Angeles, California
February 12, 2004

KYSON & CO.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

Cash		
Checking	\$	22,957
Clearing Service		142,649
Total cash		165,606
Clearing broker deposit		25,000
Commissions receivable		30,785
Property and Equipment, at cost, net of accumulated depreciation of \$23,321		0
Security Deposit		5,066
Petty cash		654
NASDAQ Stock		3,600
TOTAL ASSETS	\$	230,711

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Accounts payable	\$	5,130
Brokers' fees payable		3,304
Salaries and related payroll taxes payable		5,860
TOTAL LIABILITIES		14,294

STOCKHOLDERS' EQUITY

Common stock, \$1 par value, 1,000,000 shares		
authorized; 140,000 shares issued and outstanding	\$	140,000
Paid-in capital		90,000
Treasury stock		(42,800)
Retained earnings (deficit)		29,217
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	230,711

See accompanying notes to financial statements

KYSON & CO.
STATEMENT OF INCOME
FOR YEAR ENDED DECEMBER 31, 2003

REVENUES

Commissions and fees	\$ 423,309
Other income	28,614
Gain on investment	3,656
Interest income	<u>939</u>
 TOTAL REVENUES	 <u>456,518</u>

DIRECT COSTS

Quote services	24,981
Commission expense	23,615
Ticket clearing charges	<u>217,269</u>

TOTAL DIRECT COSTS 265,865

GROSS PROFITS 190,653

TOTAL OPERATING EXPENSES 149,548

INCOME BEFORE TAX PROVISION 41,105

INCOME TAX PROVISION 800

NET INCOME \$ 40,305

See accompanying notes to financial statements

KYSON & CO.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR YEAR ENDED DECEMBER 31, 2003

	Common Stock Shares	Common Stock	Treasury Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
Balance, December 31, 2002	140,000	\$ 140,000	\$ (42,800)	\$ 90,000	\$ (11,088)	\$ 176,112
Net Income					40,305	40,305
Balance, December 31, 2003	<u>140,000</u>	<u>\$ 140,000</u>	<u>\$ (42,800)</u>	<u>\$ 90,000</u>	<u>\$ 29,217</u>	<u>\$ 216,417</u>

See accompanying notes to financial statements

KYSON & CO.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31, 2003

Cash Flows from Operating Activities:	
Net income	\$ 40,305
Depreciation and amortization	0
Changes in operating assets and liabilities:	
Petty cash	(554)
Commissions receivable	(12,129)
Accounts payable	(434)
Commissions payable	3,304
Salaries & related payroll taxes payable	117
	30,609
Net cash provided by operating activities	
	0
Cash Flows for Acquisition Activities:	
	0
Cash Flows for Investing Activities:	
	0
Net increase in cash	
	30,609
Cash - beginning of the year	134,997
Cash - December 31, 2003	\$ 165,606
Supplemental Cash Flow Information	
Cash paid for interest	\$ 0
Cash paid for income tax	\$ 800

See accompanying notes to financial statements

KYSON & CO.
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2003

NOTE 1 - ORGANIZATION

Kyson & Co., Inc. (the Company) is a registered broker-dealer incorporated under the laws of the State of California maintaining its principal office in Arcadia, California. The Company operates pursuant to the (K)(2)(A) exemptive provision of the SEC Rule 15c3-3 and does not hold customer funds or securities. The Company was incorporated in July 27, 1994, and became a member of the NASD February 22, 1996.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICY

Customers' rebates are offset against commission and fee revenue.

NOTE 3 - NET CAPITAL REQUIREMENT

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined under such provisions. At December 31, 2003 the Company had complied with the requirement. The computation of net capital requirements pursuant to Rule 15c3-1 appears on page 7.

NOTE 4 - INCOME TAXES

The Company elected to be taxed as an "S" Corporation whereby the Company's income or loss passes directly to the stockholders. There is an \$800 minimum state income tax.

NOTE 5 - CONCENTRATION OF CREDIT RISK

The customers' securities transactions are introduced on a fully-disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customers' transactions. Due to the possibility that the customers may charge any losses it incurs to the Company the Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and to ensure that customer transactions are executed properly by the clearing broker/dealer.

NOTE 6 - USE OF 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 disclosures 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.

ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF OPERATING EXPENSES

Board of Directors
Kyson & Co., Inc.
Arcadia, California

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached schedule of operating expenses for the year ended December 31, 2003 is presented for purposes of additional information and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.



Elizabeth Tractenberg, CPA

Los Angeles, California
February 12, 2004

KYSON & CO.
SCHEDULE OF OPERATING EXPENSES
FOR YEAR ENDED DECEMBER 31, 2003

OPERATING EXPENSES	
Advertising/marketing	\$ 6,472
Dues and subscriptions	14,247
Miscellaneous expenses	2,225
Office expense	12,782
Postage and delivery	376
Professional fees	2,311
Rent	30,504
Salaries and payroll taxes	68,102
Telephone	7,557
Utilities	4,972
TOTAL OPERATING EXPENSES	<u>\$ 149,548</u>

See accompanying notes to financial statements

KYSON & CO.
 COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT
 TO RULE 15c3-1
 DECEMBER 31, 2003

COMPUTATION OF NET CAPITAL

Total ownership equity from statement of financial condition	\$ 216,417
Nonallowable assets	<u>(9,320)</u>
NET CAPITAL	<u>\$ 207,097</u>

COMPUTATION OF NET CAPITAL REQUIREMENTS

Minimum net aggregate indebtedness - 6.67% of net aggregate indebtedness	<u>\$ 953</u>
Minimum dollar net capital required	<u>\$ 5,000</u>
Net Capital required (greater of above amounts)	<u>\$ 5,000</u>
EXCESS CAPITAL	<u>\$ 202,097</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 205,667</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities	\$ 14,294
Aggregate indebtedness to net capital	0.07

RECONCILIATION

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

NET CAPITAL PER COMPANY'S COMPUTATION	\$ 207,098
VARIANCE - Rounding	<u>(1)</u>
NET CAPITAL PER AUDITED REPORT	<u>\$ 207,097</u>

See accompanying notes to financial statements

KYSON & CO.
NON-ALLOWABLE ASSETS
DECEMBER 31, 2003

NON-ALLOWABLE ASSETS	
Property and Equipment, at cost, net of accumulated depreciation of \$23,321	\$ 0
Security Deposit	5,066
Petty cash	654
NASD Stock	<u>3,600</u>
TOTAL	<u>\$ 9,320</u>

See accompanying notes to financial statements

PART II

KYSON & CO.

STATEMENT OF INTERNAL CONTROL

DECEMBER 31, 2003

ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

REPORT OF INDEPENDENT ACCOUNTANT
ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

To the Board of Directors
Kyson & Co.
Arcadia, California 91006

In planning and performing my audit of the financial statements of Kyson & Co. (the "Company") for the year ended December 31, 2003. I have considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practice and procedures (including tests of compliance with such practices and procedures) followed by the Company that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. I did not review the practices and procedures followed by the Company: (1) in making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;(2) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; or (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures and of practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure and the practices 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 accordance with generally accepted accounting principles.

Board of Directors
Kyson & Co.
Page 2

Rule 17a-5(g) lists additional objectives of the practice and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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 degree of compliance with them may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under the 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relationship 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, I noted no matters involving the accounting system and control procedures that I consider to be material weaknesses as defined above. In addition, the Company, was in compliance with the exemptive provisions of Rule 15c3-3 as of December 31, 2003 and no facts came to my attention indicating that such conditions had not been complied with during the year then ended.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used for any other purpose.



Elizabeth Tractenberg, CPA

Los Angeles, California
February 12, 2004