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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20540

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

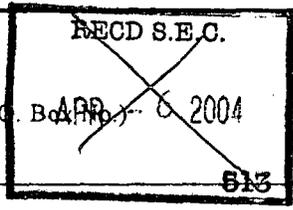
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8- 49829

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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 01/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Second Street  
Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
12 Bank Street, Suite 101



OFFICIAL USE ONLY  
FIRM I.D. NO.

Summit New Jersey 07901  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Gerard M. Visci 908 522-1500  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

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

333 Market Street San Francisco 07041  
(Address) (City) (Zip Code)

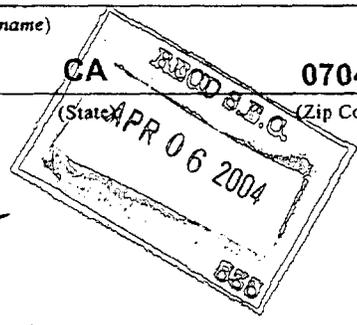
CHECK ONE:

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

PROCESSED

JUL 16 2004

THOMSON  
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)

87-15

**Report of Independent Auditors**

To the Board of Directors and Shareholder of  
Second Street Securities, Inc.

In our opinion, the accompanying statement of financial condition and the related statements of loss, changes in shareholder's equity and cash flows present fairly, in all material respects, the financial position of Second Street Securities, Inc. (the "Company") at 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. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II 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.

*PricewaterhouseCoopers LLP*

February 27, 2004

**Second Street Securities, Inc.**  
**Statement of Financial Condition**  
**December 31, 2003**

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<b>Assets</b>	
Cash and cash equivalents	\$ 8,041,324
Receivables from broker-dealers	1,080,660
Prepaid expenses and other assets	3,497,731
Equipment, net	<u>75,026</u>
Total assets	<u>\$12,694,741</u>
<b>Liabilities and Shareholder's Equity</b>	
<b>Liabilities</b>	
Payable to Parent	\$ 3,450,679
Accounts payable and accrued liabilities	1,890,247
Income taxes payable	298,792
Deferred tax liabilities	<u>8,381</u>
Total liabilities	<u>5,648,099</u>
Commitments and contingencies (Notes 4 and 7)	
<b>Shareholder's equity</b>	
Common stock, \$0.50 par value; 1,000 shares authorized; issued and outstanding	500
Additional paid-in capital	5,149,547
Retained earnings	<u>1,896,595</u>
Total shareholder's equity	<u>7,046,642</u>
Total liabilities and shareholder's equity	<u>\$12,694,741</u>

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