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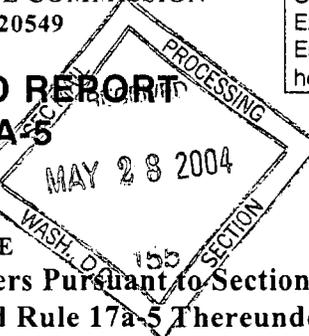


STATES  
CHANGE COMMISSION  
D.C. 20549

UF6-3-04

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



SEC FILE NUMBER
8-24823

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 04/01/03 AND ENDING 03/31/04  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: KRIEGER-CAMPBELL, INCORPORATED

OFFICIAL USE ONLY
FIRM I.D. NO.

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

3608 GRAND AVENUE

(No. and Street)

OAKLAND

CA

94610

(City)

(State)

(Zip Code)

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

RICHARD M. CAMPBELL

510-444-2800

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

BURGER & CORRICK

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

1280 CIVIC DRIVE #208

WALNUT CREEK

CA

94596

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
JUN 10 2004

<b>FOR OFFICIAL USE ONLY</b>	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)

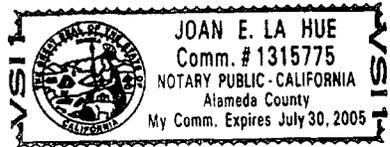
OATH OR AFFIRMATION

I, RICHARD M. CAMPBELL, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KRIEGER-CAMPBELL, INCORPORATED, as of MARCH 31, 2004 Rev, 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:

Richard M. Campbell
Signature

VICE-PRESIDENT
Title

Joan E. La Hue
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.
(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).

Krieger-Campbell, Incorporated

Financial Statements

March 31, 2004

(With Auditors' Report Thereon)

Krieger-Campbell, Incorporated

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March 31, 2004

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**Burger & Corrick**  
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Krieger-Campbell, Incorporated

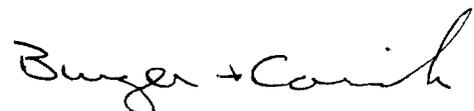
We have audited the balance sheet of Krieger-Campbell, Incorporated, as of March 31, 2004, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended. These financial statements are 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 generally accepted auditing standards. 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 Krieger-Campbell, Incorporated as of March 31, 2004 and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

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, II and III 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 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Walnut Creek, California  
May 6, 2004



Burger & Corrick  
Certified Public Accountants

Krieger-Campbell, Incorporated  
Balance Sheet  
March 31, 2004

Assets

Current Assets

Cash	\$	104,968
Accounts Receivable		19,328
Prepaid Income Taxes		450
Total Current Assets		<u>124,746</u>

Investment in Tri - Tal Realty		3,745
Property, Plant and Equipment (net)		1,185

Total Assets	\$	<u><u>129,676</u></u>
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Liabilities and Stockholders' Equity

Current Liabilities

Accounts Payable	\$	589
Total Current Liabilities		<u>589</u>

Deferred Income Taxes		7,438
Total Liabilities		<u>8,027</u>

Stockholders' Equity

Capital Stock		30,000
Retained Earnings		91,649
Total Stockholders' Equity		<u>121,649</u>

Total Liabilities and Stockholders' Equity	\$	<u><u>129,676</u></u>
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Krieger-Campbell, Incorporated  
Statement of Income  
For the Year Ended March 31, 2004

Revenues	
Investment Commissions	\$ 382,384
Insurance Commissions	44,113
Management and Consulting Fees	750
Partnership Income	(949)
Other Income	80,263
Total Revenues	<u>506,561</u>
Operating Expenses	
Automobile	3,644
Depreciation	1,200
Dues and Subscriptions	2,417
Entertainment	4,628
Group Medical	21,293
Insurance	16,199
Library and Research	3,407
Medical Reimbursement	18,016
Other Expense	4,787
Office	2,647
Payroll Taxes	23,310
Postage	1,662
Professional Fees	10,096
Profit Sharing Plan	85,568
Repairs and Maintenance	629
Rent	23,820
Salaries	342,272
Taxes and Licenses	1,306
Telephone	3,834
Travel	3,115
Total Operating Expenses	<u>573,850</u>
Income (Loss) from Operations	<u>(67,289)</u>
Other Income and (Expense)	
Interest Income	4
Dividend Income	1,329
Total Other Income	<u>1,333</u>
Income Before Income Taxes	<u>(65,956)</u>
Income Taxes	25,250
Net Income (Loss)	<u>\$ (40,706)</u>

See Accountants' Report and Accompanying Notes

Krieger-Campbell, Incorporated  
Statement of Changes in Stockholders' Equity  
For the Year Ended March 31, 2004

	<u>Shares</u>	<u>Amount</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at April 1, 2003	30,000	\$30,000	\$132,355	\$162,355
Net Income (Loss)	_____	_____	<u>(40,706)</u>	<u>(40,706)</u>
Balance at March 31, 2004	<u>30,000</u>	<u>\$30,000</u>	<u>\$91,649</u>	<u>\$121,649</u>

See Accountants' Report and Accompanying Notes

Krieger-Campbell, Incorporated  
Statement of Cash Flows  
For the Year Ended March 31, 2004

Cash flows from operating activities	
Net Income (Loss)	\$ (40,706)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	1,200
(Increase) Decrease in Accounts Receivable	66,500
(Increase) Decrease in Prepaid Income Taxes	(443)
Increase (Decrease) in Accounts Payable	(301)
Increase (Decrease) in Deferred Income taxes	(26,392)
Total adjustments	40,564
Net cash provided (used) by operating activities	(142)
Cash flow from investing activities:	
Decrease in Investment in Tri-Tal Realty	950
Purchase of Property and Equipment	(704)
Net cash provided (used) by investing activities	246
Net increase (decrease) in cash and equivalents	104
Cash and equivalents, beginning of year	104,864
Cash and equivalents, end of year	\$ 104,968
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Income Taxes	1,585

Krieger-Campbell, Incorporated  
Statement of Changes In Liabilities  
Subordinated to Claims of General Creditors  
For the Year Ended March 31, 2004

Subordinated Liabilities at Beginning of Year	\$ 0
Change in Subordinated Liabilities For Year	<u>0</u>
Subordinated Liabilities at End of Year	<u>\$ 0</u>

See Accountants' Report and Accompanying Notes

Krieger-Campbell, Incorporated  
Notes to Financial Statements  
March 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Furniture and equipment are stated at cost. The Company depreciates its furniture and equipment using the straight-line and declining balance methods over the estimated useful lives of the related assets.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes arising primarily from differences resulting from items of income and expense reported using the accrual basis of accounting for financial purposes and the cash basis of accounting for tax purposes.

Deferred income taxes are determined using the tax rate expected to be in effect when the taxes are actually paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - ORGANIZATION**

Krieger-Campbell, Incorporated (the Company) was formed to provide financial planning and evaluation and economic studies for its clients. The Company earns investment and insurance commissions and provides management, consulting, and administration services to its clients.

See Accountants' Report

Krieger-Campbell, Incorporated  
Notes to Financial Statements  
March 31, 2004

**NOTE 3 - CONSOLIDATIONS**

Krieger-Campbell, Incorporated accounts for the 75% Co-General Partnership interest in Tri-Tal Realty using the equity method.

**NOTE 4 - FURNITURE AND EQUIPMENT**

The following is a summary of furniture and equipment:

Furniture and Fixtures	\$18,628
Computer Equipment	22,978
Leasehold Improvements	6,147
Other Equipment	<u>1,945</u>
 Total Furniture and Equipment	 \$49,698
 Less Accumulated Depreciation	 <u>48,513</u>
 Furniture and Equipment, net	 <u>\$1,185</u>

Depreciation expense for the year ended March 31, 2004 was \$1,200.

See Accountants' Report

Krieger-Campbell, Incorporated  
Notes to Financial Statements  
March 31, 2004

**NOTE 5 - INCOME TAXES**

The income tax provision at March 31, 2004 consists of the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current	\$342	\$800	\$1,142
Deferred	<u>(20,570)</u>	<u>(5,822)</u>	<u>(26,392)</u>
Total	<u>(\$20,228)</u>	<u>(\$5,022)</u>	<u>(\$25,250)</u>

At March 31, 2004, the net deferred income tax liability in the accompanying balance sheet includes the following amounts of deferred tax assets and liabilities:

Deferred Tax Asset	\$ 262
Deferred Tax Liability	<u>(7,700)</u>
Net Deferred Tax Liability	<u>(\$7,438)</u>

At March 31, 2004, the deferred tax asset results from the use of differing depreciation methods for financial and tax reporting purposes. The deferred tax liability results primarily from differences between items of income and expense resulting from the use of the accrual basis of accounting for financial reporting and the cash basis of accounting for tax reporting purposes.

Krieger-Campbell, Incorporated  
Notes to Financial Statements  
March 31, 2004

**NOTE 6 - NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1); 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 15 to 1. At March 31, 2004, the company had net capital of \$99,603 which was \$94,603 in excess of its required net capital of \$5,000. The Company's percentage of aggregated indebtedness to net capital at March 31, 2004 was 8.1%.

**NOTE 7 - PROFIT SHARING PLAN**

The Company has a profit sharing plan covering substantially all eligible employees. Contributions are made at the Company's discretion. Contributions of \$85,568 were made to the plan for the year ended March 31, 2004.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

Krieger-Campbell, Incorporated has entered into agreements with the following related parties:

- 1) Tri-Tal Realty - Krieger-Campbell, Incorporated owns a 75% Co-General Partnership interest in Tri-Tal Realty. During the year ended March 31, 2004, Krieger-Campbell, Incorporated received a share of Tri-Tal Realty loss of \$949. Tri-Tal Realty is a real estate brokerage company which earns commissions and management fees from properties owned by other entities. Tri-Tal Realty had no liabilities, or related party receivables or payables as of March 31, 2004.
  
- 2) K-C Investments - The Shareholders of Krieger-Campbell, Incorporated own 100% of K-C Investments (a partnership). K-C Investments invests in real estate rental properties and deeds of trust. There were no related party receivables, payables, income or expenses as of March 31, 2004.

Krieger-Campbell, Incorporated  
Notes to Financial Statements  
March 31, 2004

**NOTE 9 - LEASES**

The Company leases office facilities under an operating lease which expired on June 30, 2001. Rent expense charged to operations during the year ended March 31, 2004 was \$23,820. The Company has a 3-year renewal option which commenced on July 1, 2001. Until agreement is reached, the lease is on a month to month basis at \$1,985 per month.

At March 31, 2004, future minimum lease payments are:

<u>March 31</u>	<u>Amount</u>
2005	\$0
2006	0
2007	0
2008	0
2009	<u>0</u>
Total	<u>\$0</u>

**NOTE 10 - CONCENTRATION OF RISK**

Major Client

Investment commissions from one unaffiliated company totaled 43% of revenues for the year ended March 31, 2004. Accounts receivable from the unaffiliated company on March 31, 2004 accounted for 92% of net accounts receivable.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and accounts receivables. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit with respect to accounts receivable exist with one unaffiliated company which account for 92% of net accounts receivable on March 31, 2004.

See Accountants' Report

Krieger-Campbell, Incorporated  
Schedule I  
Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission  
March 31, 2004

Net Capital	
Total Stockholders' Equity	\$121,649
Deduct Stockholders' Equity not Allowable for Net Capital	<u>0</u>
Total Stockholders' Equity Allowable for Net Capital	\$121,649
Add: A. Liabilities subordinated to claims of general creditors allowable in computation of Net Capital	0
B. Other (deductions) or allowable credits Tax Liability on nonallowable assets	<u>4,697</u>
Total Capital and allowable subordinated Liabilities	\$126,346
Less: Deductions and/or Charges:	
A. Non-allowable Assets	
Receivable from non-customers	(19,328)
Investment in Tri-Tal Realty	(3,745)
Property and Equipment	(1,185)
Prepaid Taxes	(450)
Deferred Tax Asset	0
B. Secured Demand Note Deficiency	0
C. Commodity Futures Contracts and Spot Commodities Proprietary Capital Charges	0
D. Other Deductions and/or Charges	0
Other Additions and/or allowable Credits.	<u>0</u>
Net Capital before Haircuts and Securities Positions	\$101,638
Haircuts on Securities computed, where applicable Pursuant to Rule 15c3-1(f):	
A. Contractual Securities	0
B. Subordinated Securities Borrowings	0
C. Trading and Investment Securities:	
1. Exempted Securities	0
2. Debt Securities	0
3. Options	0
4. Other Securities	0
D. Undue Concentration	0
E. Other	<u>(2,035)</u>
Net Capital	<u><u>\$99,603</u></u>

See Accountants' Report and Accompanying Notes

Krieger-Campbell, Incorporated  
Schedule I  
Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission  
March 31, 2004

Aggregate Indebtedness:

Items included in Statement of Financial Condition:

Accounts Payable	\$589
Payroll Taxes Payable	0
Federal Taxes Payable	0
Deferred Income Taxes	7,438
Add: Drafts for Immediate Credit Market value of securities borrowed for which no equivalent value is paid or credited	0
Other Unrecorded Amounts	<u>0</u>
Total Aggregate Indebtedness	<u>\$8,027</u>

Computation of Basic Net Capital Requirements:

Minimum Net Capital Required (greater of 6.67% of aggregate indebtedness or minimum dollar net capital requirement of \$5,000)	<u>\$5,000</u>
Excess Net Capital	<u>\$94,603</u>
Excess Net Capital at 100% (Net capital less 10% of aggregated Indebtedness)	<u>\$98,800</u>

Reconciliation with Company's computation (included in part IIA of Form  
X-17A-5 as of March 31, 2003):

Net Capital as reported in Company's part IIA (unaudited) FOCUS Report	\$73,798
Audit Adjustments	
Accounts Payable	(589)
Rounding	2
Deferred Income Taxes	<u>\$26,392</u>
Audited Net Capital	<u>\$99,603</u>

See Accountants' Report and Accompanying Notes

Krieger-Campbell, Incorporated  
Schedule II  
Computation for Determination of Reserve Requirements  
Pursuant to Rule 15c3-3  
March 31, 2004

During the year ended March 31, 2004, the Company carried no margin accounts, did not hold funds or securities for, or owe money or securities to customers. Therefore the Formula for Determination of Reserve Requirement under Rule 15c3-3 was not applied since the various items required in the formula were non-existent in the circumstances as described. A weekly determination of the required balance in the special Reserve Account for the Exclusive Benefit of Customers, under the reserve formula, was not appropriate under these circumstances. No deposits to this special account were required during the year ended March 31, 2004.

Schedule III  
Information Relating to the Possession of Control Requirements  
Pursuant to Rule 15c3-3  
March 31, 2004

The Company held no securities during the year ended March 31, 2004.

Independent Auditor's Report on  
Internal Accounting Control Required by SEC Rule 17a-5

Board of Directors  
Krieger-Campbell, Incorporated

In planning and performing our audit of the financial statements of Krieger-Campbell, Incorporated, for the year ended March 31, 2004, we considered its internal control structure, including procedures 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 the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Krieger-Campbell, Incorporated that we considered relevant to the objectives stated in Rule 17a-5(g)(1) in making their periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3 (a)(11) and the reserve required by Rule 15c3-3(e). We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or 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 in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3, 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 the 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 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.

**Burger & Corrick**  
CERTIFIED PUBLIC ACCOUNTANTS

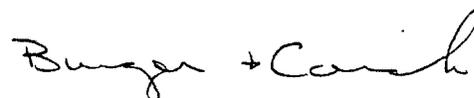
Board of Directors  
Krieger-Campbell, Incorporated  
Page Two

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 effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of 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 the 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 the internal control structure, including procedures 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 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 our study, we believe that the company's practices and procedures were adequate at March 31, 2004 to meet the Commission's objectives.

This report is intended solely for the use of the management, the Securities and Exchange Commission and the National Association of Securities Dealers and should not be used for any other purpose.



Walnut Creek, California  
May 6, 2004

Burger & Corrick  
Certified Public Accountants