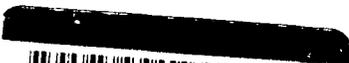


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VF 4-29-04

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response... 12.00

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

SEC FILE NUMBER  
8- 27943

**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 1/1/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Warner Beck Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

17140 Bernardo Center Drive, Suite 310

(No. and Street)

San Diego

CA

92128

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT **APR 26 2004**

Richard B. Muir

858-613-1800

(Area Code Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Squire & Company

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

1329 South 800 East; Orem, Utah

84097

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

**PROCESSED**

**MAY 05 2004**

THOMSON  
FINANCIAL

**FOR OFFICIAL USE ONLY**

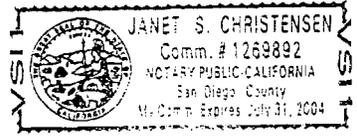
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Richard B. Muir, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Warner Beck Inc. as of April 19, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Handwritten Signature]
Signature
President
Title

[Handwritten Signature]
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).

# WARNER BECK, INC.

VIA CERTIFIED MAIL

April 19, 2004

NASD  
300 South Grand Avenue, Suite 1600  
Los Angeles, CA 90071



Enclosed is a revised audit report with schedules and a new completed Part III Facing Page in response to your letter dated April 7, 2004 (copy enclosed). Please call Mr. Richard Muir at extension 430 if there are further questions.

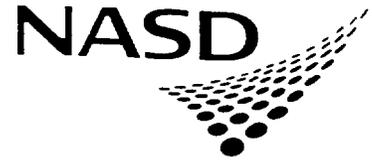
Sincerely,

  
Jim Nakagawa

Enclosure

Cc SEC  
Division of Market Regulation  
Attn: Thomas McGowan  
450 Fifth Street, N.W.  
Washington D.C. 20549

Excel Centre  
17140 Bernardo Center Drive #310  
San Diego, California 92128  
(p)858.613.1800 (f)858.487-9890



April 7, 2004

Richard B. Muir  
Warner Beck, Inc.  
17140 Bernardo Center Drive #310  
San Diego, CA 92128

Dear Mr. Muir:

This acknowledges receipt of your 2003 annual filing of audited financial statements made pursuant to Securities and Exchange Commission (SEC) Rule 17a-5(d) (the Rule). The report as submitted appears deficient in that it did not contain the following:

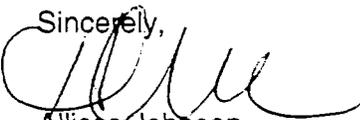
- A. Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3; and,
- B. Information Relating to the Possession or Control Requirements under Rule 15c-3.

Therefore, your submission cannot be considered to comply with the requirements of the Rule. The text of the Rule is reproduced in the NASD Manual under the section titled SEC Rules & Regulation T, and we suggest that you review it with your independent accountant.

Pursuant to the provisions of NASD Rule 8210, we request that you **immediately** send one copy of the items listed above to this office and the SEC regional or district office, and two copies to the SEC Washington, D.C. office. Your submissions must include a new completed Part III Facing Page, a copy of which is enclosed for your convenience.

Please attend to this matter promptly. If you have any questions, please contact Aaron Len, Senior Compliance Examiner at (213) 613-2696.

Sincerely,

*for*   
Allissa Johnson  
Supervisor

Enclosure

Los Angeles District Office  
300 South Grand Avenue  
Suite 1600  
Los Angeles, CA  
90071

tel 213 229 2300  
fax 213 617 3299  
www.nasd.com

cc: SEC  
Division of Market Regulation  
Attn: Thomas McGowan  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Squire & Co.  
1329 South 800 East  
Orem, UT 84097

**WARNER BECK INC.**  
**FINANCIAL STATEMENTS**

For the Year Ended December 31, 2003



## Independent Auditor's Report

To the Board of Directors  
Warner Beck Inc.  
San Diego, California

We have audited the accompanying statement of financial condition of Warner Beck Inc. (a wholly-owned subsidiary of Excel Interfinancial Corporation) as of December 31, 2003 and the related statements of income (loss), changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 Warner Beck Inc. 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 made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Schedule I 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 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.

*Squire & Company, PC*

Orem, Utah  
February 6, 2004

**WARNER BECK INC.**  
**(A Wholly Owned Subsidiary of Excel Interfinancial Corporation)**  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2003

---

**ASSETS**

Cash	\$ 8,191
Accounts Receivable:	
Parent company	<u>25,323</u>
Total assets	<u>\$ 35,514</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities	\$ -
Stockholder's Equity:	
Preferred stock, \$1 par value, 100 shares authorized, 31 shares issued and outstanding	31
Common stock, \$1 par value, 49,900 shares authorized, 10,000 shares issued and outstanding	10,000
Additional paid-in capital	84,869
Retained deficit	<u>(61,386)</u>
Total stockholder's equity	<u>33,514</u>
Total liabilities and stockholder's equity	<u>\$ 35,514</u>

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

**WARNER BECK INC.**

**(A Wholly Owned Subsidiary of Excel Interfinancial Corporation)**

**STATEMENT OF INCOME (LOSS)**

For the Year Ended December 31, 2003

---

**Revenue:**

Commissions \$ 2,594

**Expenses:**

Commissions 2,128

Accounting 1,800

Licenses 1,263

Insurance 369

Other 218

Total expenses 5,778

**Net Loss** \$ (3,184)

**WARNER BECK INC.**

**(A Wholly Owned Subsidiary of Excel Interfinancial Corporation)**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

For the Year Ended December 31, 2003

---

	<u>Capital Stock</u>		<u>Additional</u>	<u>Retained</u>	<u>Total</u>
	<u>Preferred</u>	<u>Common</u>	<u>Paid-in</u>	<u>Deficit</u>	
			<u>Capital</u>		
Balance at January 1, 2003	\$ 31	\$ 10,000	\$ 84,869	\$ (58,202)	\$ 36,698
Net Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,184)</u>	<u>(3,184)</u>
Balance at December 31, 2003	<u>\$ 31</u>	<u>\$ 10,000</u>	<u>\$ 84,869</u>	<u>\$ (61,386)</u>	<u>\$ 33,514</u>

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

**WARNER BECK INC.**

**(A Wholly Owned Subsidiary of Excel Interfinancial Corporation)**

**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2003

---

**Cash Flows from Operating Activities:**

Net Loss	\$ (3,184)
Changes in operating assets and liabilities:	
Decrease in liabilities	<u>(11,554)</u>
Net cash used by operating activities	<u>(14,738)</u>
<b>Net Decrease in Cash</b>	<b>(14,738)</b>
<b>Cash at January 1, 2003</b>	<u>22,929</u>
<b>Cash at December 31, 2003</b>	<u>\$ 8,191</u>

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

**WARNER BECK INC.**  
**(A Wholly Owned Subsidiary of Excel Interfinancial Corporation)**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES**  
**AND EXCHANGE COMMISSION**

December 31, 2003

**SCHEDULE I**

**Net Capital:**

Total stockholder's equity	\$ 33,514
Deductions and/or charges - nonallowable assets:	
Accounts receivable from parent company	<u>(25,323)</u>
Net capital before haircuts	8,191
Haircuts	<u>-</u>
Net capital	<u>\$ 8,191</u>

**Aggregate Indebtedness:**

Accounts payable	<u>\$ -</u>
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**Computation of Basic Net Capital Requirement:**

Minimum net capital required:	
6 2/3% of aggregate indebtedness, \$5,000 minimum	<u>\$ 5,000</u>
Excess net capital	<u>\$ 3,191</u>
Ratio of aggregate indebtedness to net capital	<u>0 to 1</u>

**Reconciliation with Company's Computation:**

(included in Part II of Form X-17A-5 as of December 31, 2003):

Net capital, as reported in Company's Part II FOCUS report (unaudited)	\$ 8,191
Net audit adjustments	<u>-</u>
Net capital per above	<u>\$ 8,191</u>

**WARNER BECK INC.**

(A Wholly Owned Subsidiary of Excel Interfinancial Corporation)

**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS**

**UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

December 31, 2003

**SCHEDULE III**

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1. Customers' fully paid 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)	<u>\$ -</u>
A. Number of items	<u>None</u>
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	<u>\$ -</u>
A. Number of items	<u>None</u>