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

①  
VF 4-14-04  
**OMB APPROVAL**  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00

**SEC FILE NUMBER**  
8. 50649

**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:

ZENON CAPITAL LP

OFFICIAL USE ONLY

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

1010-2269 LAKESHORE BLVD. WEST

FIRM ID. NO.

(No. and Street)

TORONTO

ONTARIO

M8V 3X6

(City)

(State)

(Zip Code)

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

GEORGE Z. TATARSKY

(416) 255-9020

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

HAWLEY AND COMPANY LLP, CHARTERED ACCOUNTANTS

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

225 WATLINE AVENUE MISSISSAUGA

ONTARIO

L4Z 1P3

(Address)

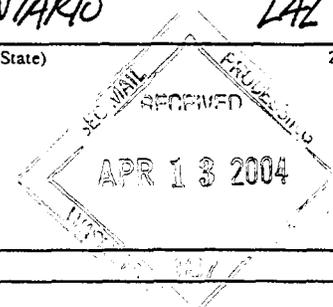
(City)

(State)

Zip Code

CHECK ONE:

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



FOR OFFICIAL USE ONLY

**ZENON CAPITAL LP**

**RECONCILIATION OF NET CAPITAL COMPUTATIONS**

**DECEMBER 31, 2003**

*per Securities and Exchange Commission (SEC) Rule 17a-5(d)*

	<u>Dec 31, 2003</u>
<b>NET CAPITAL - Focus Report Part IIA, December 31, 2003</b>	<b>\$645,231</b>
<b>Reconciling items:</b>	
Total Ownership Equity (note 1)	-18,059
Good faith deposit surplus (note 2)	-1,783
Haircuts on securities:	
Other securities (note 3)	0
Undue concentration (note 4)	-1,083
Dividends and fees receivable and rounding	583
	<hr/>
<b>NET CAPITAL - Audited Form X-17A-5 Part III, December 31, 2003</b>	<b><u><u>\$624,889</u></u></b>

**Notes:**

1. Total ownership equity Audited Form X-17A-5 Part III, December 31, 2003	\$798,456
Total ownership equity Focus Report Part IIA, December 31, 2003	<u>816,515</u>
Difference	<u><u>-\$18,059</u></u>
Accounts payable & accrued expenses, understated	-\$4,474
Dividends and fees receivables from non-brokers, overstated	-584
Inventory of securities owned (offset)	139,701
Securities sold, not yet purchased (offset)	-139,701
Cash, rounding	-1
Inventory of securities - valuation difference (not marketable securities)	<u>-13,000</u>
	<u><u>-\$18,059</u></u>
2. This item was not recognized in the Focus Report Part IIA.	
3. Haircuts -Other securities- Focus Report Part IIA, December 31, 2003	\$113,819
Haircuts -Other securities- Audited Form X-17A-5 Part III, December 31, 2003	<u>113,819</u>
Difference in Haircuts - Other securities	<u><u>\$0</u></u>
4. Undue concentration Focus Report Part IIA, December 31, 2003	\$19,411
Undue concentration Audited Form X-17A-5 Part III, December 31, 2003	<u>20,494</u>
Difference in Haircuts - Undue concentration	<u><u>-\$1,083</u></u>

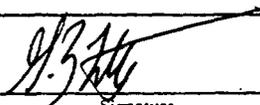


OATH OR AFFIRMATION

I, GEORGE Z. TATARSKY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ZENON CAPITAL LP, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Notary Public

  
\_\_\_\_\_  
Signature  
GENERAL PARTNER  
\_\_\_\_\_  
Title

PAUL MAGNUS FELDMAN, B.A., LL.B.  
Barrister/Solicitor/Notary Public  
Ste. 200 — 2389 Bloor Street West  
Toronto, Ontario M6S 1P6  
Tel: 416-762-1397 Fax: 416-767-6282

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.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).