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

SEC FILE NUMBER
 8-31539

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

MAR 26 2004

REPORT FOR THE PERIOD BEGINNING 02/01/03 AND ENDING 01/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

RANCE KING SECURITIES CORPORATION
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
 3737 E BROADWAY

OFFICIAL USE ONLY
 FIRM I.D. NO.

LONG BEACH

(No. and Street)
CA

90803-6104

(City)

(State)

(Zip Code)

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

WILLIAM RANCE KING,

562.434.8431/562.240.1000
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Balser, Horowitz, Frank & Wakeling, An Accountancy Corporation

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

1551 North Tustin Avenue, Ste 1000, Santa Ana CA 92705

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

APR 28 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)

SEC 1410 (06-02)

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RANCE KING SECURITIES CORPORATION

January 31, 2004 and 2003

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RANCE KING SECURITIES CORPORATION
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF CREDITORS
January 31, 2004 and 2003

As of the audited periods ending January 31, 2004 and 2003, no subordinated liabilities or agreements exist in the financial statements of Rance King Securities Corporation.

RANCE KING SECURITIES CORPORATION
COMPUTATION OF NET CAPITAL UNDER RULE 15c 3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
January 31, 2004 and 2003

	2004	2003
Total stockholder's equity	\$ 214,284	\$ 142,311
Deductions:		
Nonallowable assets:		
Property and equipment, net	4,150	-
Long-term investments	<u>33,200</u>	<u>33,200</u>
Net capital	\$ <u>176,934</u>	\$ <u>109,111</u>

Computation of Basic Net Capital Requirement

Minimum net capital requirement or 6 2/3% of aggregate indebtedness	\$ <u>5,000</u>	\$ <u>5,000</u>
Net capital from above	\$ <u>176,934</u>	\$ <u>109,111</u>
Net capital in excess of minimum	\$ <u>171,934</u>	\$ <u>104,111</u>

Computation of Ratio of Aggregate Indebtedness

Total aggregate indebtedness	\$ <u>19,116</u>	\$ <u>4,080</u>
Percentage of aggregate indebtedness to net capital	<u>11%</u>	<u>3%</u>
Percentage of debt to debt-equity total computed in accordance with Rule 15c 3-1 (d)	<u>0%</u>	<u>0%</u>
Excess net capital at 1000%	\$ <u>175,022</u>	\$ <u>108,703</u>

**RANCE KING SECURITIES CORPORATION
STATEMENT UNDER RULE 17a-5(d)(4) OF THE
SECURITIES AND EXCHANGE COMMISSION
January 31, 2004 and 2003**

The audit disclosed no violation of the net capital requirements, financial and/or record-keeping problems. There were no material variations in the financial data reported on the unaudited Form X-17A-5 Part IIA dated January 31, 2004, with the final audit report attached.

**RANCE KING SECURITIES CORPORATION
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c 3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
January 31, 2004 and 2003**

The Company is exempt from the provisions of Rule 15c 3-3 of the Securities Exchange Act under Section (k)(2)(i), since it carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, and does not otherwise hold funds or securities for, or owe money or securities to, customers.

**RANCE KING SECURITIES CORPORATION
INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c 3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
January 31, 2004 and 2003**

Not applicable

BALSER, HOROWITZ, FRANK & WAKELING

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2004

Board of Directors
Rance King Securities Corporation
Long Beach, California

We have audited the financial statements of Rance King Securities Corporation, for the years ended January 31, 2004 and 2003 and have issued our report thereon dated February 27, 2004. As part of our audit, we made a study and evaluation of the Company's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and Rule 17a-5 of the Securities Exchange Act of 1934. This study and evaluation include the accounting system, the procedures for safeguarding securities, and the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3 (a) (11) and the reserve required by Rule 15c 3-3(3). Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of our examination would be disclosed. The purposes of our study and evaluation were to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Company's financial statements and to provide a basis for reporting material weaknesses in internal accounting control under Rule 17a-5 and, with respect to Rule 15c 3-3, to provide reasonable assurance of compliance, in all material respects, with the possession and control requirements of that Rule. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of Rance King Securities Corporation is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets 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 accounting principles generally accepted in the United States of America.

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MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Rance King Securities Corporation
February 27, 2004
Page Two.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal accounting control for the years ended January 31, 2004 and 2003 which was made for the purposes set forth in the first paragraph above and would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed the following condition:

The size of the business necessarily imposes practical limitations on the effectiveness of those internal accounting control procedures that depend on the segregation of duties. The specific weaknesses are that the same person is performing the tasks of signing checks and reconciling the bank account. Ideal internal accounting control procedures would be that these tasks be performed by different people. Since this condition is inherent in the size of the Company, no corrective action has been taken or proposed by the Company.

The foregoing conditions as considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the January 31, 2004 and 2003 financial statements, and this report does not affect our report on those financial statements dated February 27, 2004.

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

Balser, Horowitz, Frank & Wakeling
BALSER, HOROWITZ, FRANK & WAKELING
An Accountancy Corporation

Santa Ana, California
February 27, 2004

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rance King Securities Corporation
Long Beach, California

We have audited the accompanying statements of financial condition of Rance King Securities Corporation as of January 31, 2004 and 2003, and the related statements of income, changes in stockholder's equity, and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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 Rance King Securities Corporation as of January 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 8 through 12 is presented for the purpose 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 requirements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Balsler, Horowitz, Frank & Wakeling

BALSER, HOROWITZ, FRANK & WAKELING
An Accountancy Corporation

Santa Ana, California
February 27, 2004

RANCE KING SECURITIES CORPORATION

STATEMENTS OF FINANCIAL CONDITION

January 31, 2004 and 2003

ASSETS

	2004	2003
Assets		
Cash in bank	\$196,050	\$113,191
Long-term investments	33,200	33,200
Property and equipment, net	<u>4,150</u>	<u>-</u>
Total assets	<u>\$233,400</u>	<u>\$146,391</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities		
Income taxes payable	\$ <u>19,116</u>	\$ <u>4,080</u>
Total liabilities	<u>19,116</u>	<u>4,080</u>
Stockholder's Equity		
Common stock, no par value, 100 shares authorized, 50 shares issued and outstanding	10,000	10,000
Additional paid in capital	28,911	28,911
Retained earnings	<u>175,373</u>	<u>103,400</u>
Total stockholder's equity	<u>214,284</u>	<u>142,311</u>
Total liabilities and stockholder's equity	<u>\$233,400</u>	<u>\$146,391</u>

See accompanying notes and independent auditors' report.

RANCE KING SECURITIES CORPORATION

STATEMENTS OF INCOME

For the Years Ended January 31, 2004 and 2003

	2004	2003
Revenue		
Commissions	\$4,460,315	\$2,632,161
Interest	<u>270</u>	<u>970</u>
Total revenue	<u>\$4,460,585</u>	<u>\$2,633,131</u>
Operating Expenses		
Commissions	2,405,338	2,073,099
Broker dealer marketing and referral fees	1,657,767	244,359
Conferences	80,667	118,974
Depreciation	820	-
Dues and subscriptions	9,130	4,278
Entertainment	9,622	8,310
Legal and accounting	6,884	5,167
Office expenses	8,912	7,532
Payroll	71,521	32,500
Rent expense	36,000	36,000
Telephone	5,690	4,829
Travel and workshops	<u>64,189</u>	<u>40,236</u>
Total operating expenses	<u>4,356,540</u>	<u>2,575,284</u>
Income before provision for income taxes	104,045	57,847
Provision for income taxes	<u>32,072</u>	<u>12,952</u>
Net income	<u>\$ 71,973</u>	<u>\$ 44,895</u>

See accompanying notes and independent auditors' report.

RANCE KING SECURITIES CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the Years Ended January 31, 2004 and 2003

	Common <u>Stock</u>	Additional Paid-in <u>Capital</u>	Accumulated Earnings (<u>Deficit</u>)	<u>Total</u>
Balances, January 31, 2002	\$ 10,000	\$ 28,911	\$ 58,505	\$ 97,416
Net income	<u>0</u>	<u>0</u>	<u>44,895</u>	<u>44,895</u>
Balances, January 31, 2003	10,000	28,911	103,400	142,311
Net income	<u>0</u>	<u>0</u>	<u>71,973</u>	<u>71,973</u>
Balances, January 31, 2004	<u>\$ 10,000</u>	<u>\$ 28,911</u>	<u>\$175,373</u>	<u>\$214,284</u>

See accompanying notes and independent auditors' report.

RANCE KING SECURITIES CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended January 31, 2004 and 2003

	2004	2003
Cash flows from operating activities		
Net income	\$ 71,973	\$ 44,895
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	820	-
Changes in operating assets and liabilities:		
Income taxes payable	<u>15,036</u>	<u>(4,489)</u>
Net cash provided by operating activities	<u>87,829</u>	<u>40,406</u>
Cash flows from investing activities		
Purchase of long-term investments	-	(33,200)
Acquisitions of property and equipment	<u>(4,970)</u>	<u>-</u>
Net cash used by investing activities	<u>(4,970)</u>	<u>(33,200)</u>
Increase in cash	82,859	7,206
Cash and cash equivalents		
Beginning of year	<u>113,191</u>	<u>105,985</u>
End of year	<u>\$ 196,050</u>	<u>\$ 113,191</u>

There were no financing activities for the years ended January 31, 2004 and 2003.

Supplemental Disclosures Of Cash Flow Information

Cash paid for:		
Interest	\$ <u>0</u>	\$ <u>0</u>
Income taxes	\$ <u>17,036</u>	\$ <u>17,479</u>

See accompanying notes and independent auditors' report.

RANCE KING SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

January 31, 2004 and 2003

Note 1 - Summary Of Significant Accounting Policies

Nature of Business

The Company is a registered broker-dealer incorporated under the laws of the State of California maintaining its principal and only active office in Long Beach, California. Operations are pursuant to the (K)(2)(i) exemptive provision of SEC Rule 15c 3-3 and does not hold customer funds or securities. The business consists of the wholesaling and retailing of direct participation programs.

Method of Accounting

The Company maintains its books and records on the accrual basis of accounting.

Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents.

Income Taxes

The provision for taxes and related asset or liability includes Federal and State of California income taxes.

Financial statement estimates and assumptions

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

Property and equipment

Property and equipment are stated at cost. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the accelerated method for both financial reporting and income tax purposes. Expenditures for repairs and maintenance are charged to expense as incurred. The Company has elected to capitalize all property and equipment expenditures greater than \$1,000.

Depreciation expense for the years ended January 31, 2004 and 2003 was \$820 and \$0, respectively.

RANCE KING SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

January 31, 2004 and 2003

Note 1 - Summary Of Significant Accounting Policies

Concentrations of credit risk

The Company maintains its cash balances in one financial institution located in Long Beach, California. Cash accounts at banks are insured by the Federal Deposit Insurance Corporation up to \$100,000. At January 31, 2004 and 2003 the company's uninsured cash balance totaled \$117,696 and \$67,788, respectively.

Note 2 - Property and Equipment

	<u>2004</u>	<u>2003</u>
Property and equipment consists of the following:		
Furniture and fixtures	\$ 541	\$ -
Equipment	<u>4,429</u>	<u>-</u>
Total property and equipment	4,970	-
Less accumulated amortization and depreciation	<u>(820)</u>	<u>-</u>
Net property and equipment	<u>\$ 4,150</u>	<u>\$ -</u>

Note 3 - Net Capital

The Company is subject to a \$5,000 minimum capital requirement under SEC Rule 15c 3-1, which requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Net capital and related capital ratio fluctuate on a daily basis; however, as of January 31, 2004 and 2003, the net capital was \$181,084 and \$109,111, respectively. The net capital ratio was not in excess of its 15 to 1 ratio to aggregate indebtedness at that date.

Note 4 - Related Parties

The Company earned commissions totaling \$4,460,315 and \$2,632,161 from the sale of limited partnership interests for the years ended January 31, 2004 and 2003, respectively. The General Partner of these limited partnerships is the 100% owner of the Company. For the years ended January 31, 2004 and 2003 expenses of \$1,657,767 and \$307,295, respectively, were paid to Rance King Properties, Inc., which is wholly-owned by the sole shareholder of the Company.