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

SEC FILE NUMBER
8- 52144

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: AnnuityNet Insurance Agency, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2350 Corporate Park Drive, Suite 600  
(No. and Street)

Herndon VA 20171  
(City) (State) (Zip Code)

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

Carl A. Serger 703.234.0155  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

PROCESSED

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

APR 23 2004

Ernst & Young LLP

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

THOMSON FINANCIAL

8484 Westpark Drive McLean VA 22102  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

MAR 29 2004  
PROCESSING SECTION

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)

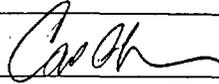
SEC 1410 (06-02)

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OATH OR AFFIRMATION

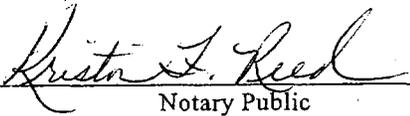
I, Carl A. Serger, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AnnuityNet Insurance Agency, Inc., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company 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:



Signature

Vice President & Treasurer

Title



Notary Public

My Comm. Exps. 7/31, 2004

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).

**AnnuityNet Insurance Agency, Inc.**  
**2350 Corporate Park Drive**  
**Suite 600**  
**Herndon, Virginia 20171**  
**703.234.0150**

**CARL A. SERGER**  
**703-234-0155**

23 March 2004

U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549

To Whom It May Concern:

It has been brought to our attention that the December 31, 2003 annual filing of audited financial statements made pursuant to U.S. Securities and Exchange Commission Rule 17a-5(d) may not have included an Oath or Affirmation containing an original signature and notary seal.

If you received an Oath or Affirmation containing a copy of the signature and notary seal, please substitute that copy with the Oath or Affirmation containing an original signature and notary seal included with this letter.

We apologize for any inconvenience this may have caused. Please call me if you have any questions.

Best Regards,



Carl A. Serger  
Vice President & Treasurer  
AnnuityNet Insurance Agency, Inc.

Enclosure

