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

SEC FILE NUMBER
8- 52194

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 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Midas Securities, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
6280 Manchester Blvd., Suite 145

OFFICIAL USE ONLY
FIRM I.D. NO.

Buena Park California 90621
(City) (State) (Zip Code)

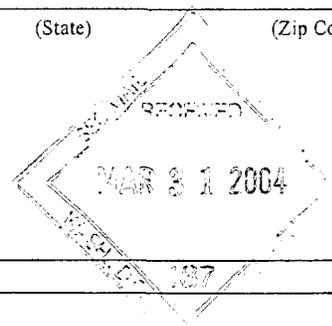
NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Robert J. Wilson (713) 439-7979
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Malone & Bailey, PLLC

2925 Briarpark, Suite 930 Houston, Texas 77042
(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

*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

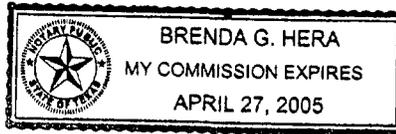
I, Robert J. Wilson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Midas Securities, LLC of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Robert J. Wilson
Signature

CFO

Title

Brenda G. Hera
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.
(o) Statement of Cash Flows

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).
X (p) Statement of exemption of 15c3-3

**Midas Securities, LLC
FINANCIAL STATEMENTS**

As of December 31, 2003



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Midas Securities, LLC
Houston, Texas

We have audited the accompanying statement of financial condition of Midas Securities, LLC, as of December 31, 2003, and the related statements of operations and changes in Member's Capital 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 Midas Securities, LLC, 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 conducted 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 under 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.

Malone & Bailey, PLLC

Malone & Bailey, PLLC
Houston, Texas

March 10, 2004

Registered, Public Company Accounting Oversight Board
American Institute of Certified Public Accountants, SEC Practice Section
Texas Society of Certified Public Accountants

MIDAS SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
As of December 31, 2003

ASSETS

CURRENT ASSETS:

Cash	\$ 329
Commission receivable	59,661
Deposit with clearing organization	80,000
Prepaid fees	<u>11,263</u>
Total current assets	151,253

FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$219,034	217,573
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DEPOSIT	<u>41,423</u>
Total assets	<u>\$ 410,249</u>

LIABILITIES AND MEMBER'S CAPITAL

CURRENT LIABILITIES:

Accounts payable	\$ 19,277
Bank overdraft	8,580
Accrued commissions	33,182
Accrued expenses	<u>6,516</u>
	67,557

COMMITMENTS

MEMBER'S CAPITAL	<u>342,692</u>
Total liabilities and member's capital	<u>\$ 410,249</u>

See summary of accounting policies and notes to financial statements.

MIDAS SECURITIES, LLC
STATEMENT OF OPERATIONS AND
CHANGES IN MEMBER'S CAPITAL
Year Ended December 31, 2003

	<u>2003</u>
Commission income	\$ 343,496
Operating Expenses:	
General and administrative	72,796
Payroll and related expenses	19,122
Quotation fees	22,567
Consulting	7,875
Clearing fees	173,634
Depreciation	136,931
Commissions	60,203
Management fees	<u>339,396</u>
Total expenses	<u>832,524</u>
Net operating loss	(489,028)
Other income:	
Interest income	<u>64</u>
Net loss	<u>\$ (488,964)</u>
Beginning Member's Capital	491,656
Capital Contributed by Members	<u>340,000</u>
Ending Members Capital	<u>\$ 342,692</u>

See summary of accounting policies and notes to financial statements.

MIDAS SECURITIES, LLC
STATEMENT OF CASH FLOWS
Year Ended December 31, 2003

OPERATING ACTIVITIES:	
Net loss	\$ (488,964)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	136,931
Changes in operating assets and liabilities:	
Commission receivable	(55,765)
Deposits	(15,000)
Accounts payable	28,096
Accrued expenses	5,516
Prepaid fees	<u>(11,263)</u>
Net cash used in operating activities	<u>(400,449)</u>
INVESTING ACTIVITIES:	
Certificate of deposit	<u>21,000</u>
FINANCING ACTIVITIES:	
Member contributions	<u>340,000</u>
NET DECREASE IN CASH	(39,449)
CASH, beginning of period	<u>39,778</u>
CASH, end of period	<u><u>\$ 329</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:	
Interest paid	<u><u>\$ -</u></u>

See summary of accounting policies and notes to financial statements.

MIDAS SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF ACCOUNTING POLICIES

Midas Securities, LLC ("Company") is a broker dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers. The Company is a Delaware Limited Liability Company that was acquired by MidasTrade.com; a U.S. publicly traded company in March 2002. The Company is an introducing broker with accounts processed by Computer Clearing Services, Inc. The Company provides broker dealer services to investors in Korea and Hong Kong who want to invest in the United States markets.

Cash and cash equivalents

The Company considers as cash all liquid securities with maturities of three months or less.

Income taxes

The Company is a Limited Liability Company taxed as a partnership. All taxable income and all operating losses flow through to the members. Accordingly, there is no provision for income taxes.

Commissions

Commissions are recorded on a trade-date basis as securities transactions occur.

Furniture and Equipment

Depreciation is calculated on a straight-line basis using estimated useful lives of three to five years. Furniture and equipment consisted of the following as of December 31, 2003:

Computer equipment	\$ 423,094
Furniture	13,513
	<u>436,607</u>
Less: accumulated depreciation and amortization	(219,034)
	<u>\$ 217,573</u>

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - NET CAPITAL REQUIREMENTS

Pursuant to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1. At December 31, 2003, the Company had net capital of \$ 72,433 and a net

MIDAS SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

capital requirement of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 93% at December 31, 2003.

NOTE C – POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(2)ii by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

NOTE D – RELATED PARTY TRANSACTIONS

During 2003, the Company's Parent contributed stock of the Parent, which is a publicly traded corporation, to the Company. During 2003, the Company sold the stock for net proceeds totaling \$190,000 in cash, which are reflected as contributed capital in the accompanying financial statements. In addition, the Parent contributed \$150,000 in cash to the Company during 2003.

The Company does not have any employees and pays commissions to brokers who are treated as consultants by the Company.

Most general and administrative functions of the Company are performed by a sister corporation which charges the Company a monthly management fee for these services. There is no formal agreement for the management fee. The fee is determined monthly by the Parent. During 2003, the Company paid \$339,396 to parent company for management fees.

NOTE E – COMMITMENTS

The Company pays for office space in California and an apartment in Korea that are leased by a company owned by the Company's parent. Rent expense totaled \$11,332 for 2003.

MIDAS SECURITIES, LLC
Exemptive Provision Under Rule 15c3-3
As of December 31, 2003

The Company is exempt from Rule 15c3-3 based upon paragraph (K)(2)(ii).



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

To the Board of Directors
Midas Securities, LLC
Houston, Texas

In planning and performing our audit of the financial statements of Midas Securities, LLC for the year ended December 31, 2003, we considered its internal control structure, 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 (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons,
2. Recordation of differences required by Rule 17a-13, and
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

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 SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and 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 accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Registered, Public Company Accounting Oversight Board
American Institute of Certified Public Accountants, SEC Practice Section
Texas Society of Certified Public Accountants

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 Certified 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 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 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 SEC 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 December 31, 2003, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

A handwritten signature in cursive script that reads "Malone & Bailey, PLLC".

Malone & Bailey, PLLC
Houston, Texas

March 10, 2004