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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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**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: Aethlon Capital, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4920 IDS Center, 80 South 8th Street

(No. and Street)

Minneapolis

(City)

MN

(State)

55402

(Zip Code)

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

Sima Griffith

612-677-1339

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Virchow, Krause & Company, LLP

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

7900 Xerxes Avenue South, Suite 2400 Minneapolis

(Address)

(City)

MN

(State)

55431

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

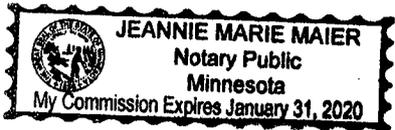
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Sima Griffith, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Aethlon Capital, LLC, 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:



Sima Griffith
Signature
Managing Principal
Title

Jeannie Marie Maier
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 15c3-1 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).

AETHLON CAPITAL, LLC

STATEMENTS OF FINANCIAL CONDITION December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 19,203	\$ 69,910
COMMISSIONS RECEIVABLE	26,314	67,559
PREPAID EXPENSES	3,795	4,060
SECURITIES NOT READILY MARKETABLE	<u>-</u>	<u>3,450</u>
TOTAL ASSETS	<u>\$ 49,312</u>	<u>\$ 144,979</u>
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Accrued expenses	\$ 6,463	\$ 10,195
MEMBERS' EQUITY	<u>42,849</u>	<u>134,784</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 49,312</u>	<u>\$ 144,979</u>

See accompanying notes to financial statements.

AETHLON CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS December 31, 2003 and 2002

NOTE 1 - Summary of Significant Accounting Policies

Nature of Business

Aethlon Capital, LLC (the Company) was formed in October 1996 as a limited liability company under Chapter 322B of the Minnesota statutes. The Company has issued membership interests to denominate each member's voting power, share of Company profit and losses and right to share in distributions. The Company will continue until October 30, 2026 unless terminated prior to that time.

The Company is a licensed securities broker-dealer and specializes in providing investment banking services for public and private emerging growth companies. Services provided include private placement of equity or debt, general corporate finance advisory services and investor relations.

The Company is a member of the Securities Investors Protection Corporation (SIPC) and the National Association of Securities Dealers (NASD).

Cash and Cash Equivalents

The Company maintains its cash in high quality financial institutions and money market mutual funds. The balances, at times, may exceed federally insured limits.

Commissions Receivable

Commissions receivable are unsecured and no allowance for doubtful accounts is considered necessary at December 31, 2003 and 2002.

Equipment and Furniture

Equipment and furniture are being depreciated using accelerated methods over periods up to five years.

Revenues

The Company's revenues during 2003 and 2002 were derived from private placement fees and related expense reimbursements. Revenue is recognized at the time of the placement's closing.

Management's Use of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

AETHLON CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS December 31, 2003 and 2002

NOTE 2 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and the related net capital ratio fluctuate on a daily basis. At December 31, 2003 and 2002, the Company had net capital of \$12,740 and \$59,644 which was \$7,740 and \$54,644 in excess of its required net capital of \$5,000. The Company's net capital ratio was .51 to 1 and .17 to 1 at December 31, 2003 and 2002.

No material differences exist between the net capital calculated above and the net capital computed and reported in the Company's December 31, 2003 amended FOCUS filing. Per Rule 15c3-3 of the Securities and Exchange Commission Uniform Net Capital Rule, the Company is exempt under the (k)(2)(i) exemption.

NOTE 3 - Equipment and Furniture

	2003	2002
Equipment and Furniture	\$ 21,821	\$ 25,231
Less Accumulated Depreciation	(21,821)	(25,231)
	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was \$1,413 and \$8,126 for the years ended December 31, 2003 and 2002.

NOTE 4 - Income Taxes

The Company is a limited liability company for income tax purposes. Accordingly, these financial statements do not include any provision for income taxes since the income and expenses are reported on the individual income tax returns of the members and the applicable income taxes, if any, are paid by the members.

NOTE 5 - Leases

The Company entered into a noncancelable operating lease for office space. The lease expires May 2005 and requires monthly base rents of \$2,825 which increase annually to \$2,948 in addition to the Company's prorata share of the building's property taxes and operating expenses. The Company also leases a vehicle under a lease that expires December 2006. Monthly rent is \$627. Total rent expense was approximately \$47,100 and \$55,000 for the years ended December 31, 2003 and 2002.

Future minimum rental commitments are as follows for the years ending December 31:

2004	\$ 42,698
2005	22,267
2006	6,900
	<u>\$ 71,865</u>

AETHLON CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS December 31, 2003 and 2002

NOTE 6 - Employee Benefit Plan

The Company adopted a simplified employee pension plan in 1999. Contributions to the plan by the Company are discretionary. Employer contributions for were \$12,000 and \$40,000 for the years ended December 31, 2003 and 2002.

NOTE 7 - Significant Customers

Three customers accounted for 86% of total revenues for the year ended December 31, 2003. Two of the same customers accounted for 97% of total revenues for the year ended December 31, 2002.