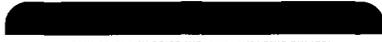


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AM 2-8-2005  
OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004



05035556

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

SEC FILE  
a-46650

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 01/01/2004 AND ENDING 12/31/2004  
MM/DD/YY

RECEIVED  
JAN 26 2005  
185  
SECTION

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: HODIN ASSOCIATES, INC.

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

3 BURLINGTON WOODS DRIVE, SUITE 303

(No. and Street)

BURLINGTON

MA

01803

(City)

(State)

(Zip Code)

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

Mr. MORTIN L. HODIN

(781) 221-8421

(Area Code - Telephone Number)

OFFICIAL USE ONLY  
FIRM I.D. NO.

B. ACCOUNTANT IDENTIFICATION

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

SULLIVAN SHUMAN & FREEDBERG LLC

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

3 TECH CIRCLE

NATICK

MA

01748

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED  
FEB 10 2005  
THOMSON  
FINANCIAL

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, Mortin L. Hodin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hodin Associates, Inc.

of December 31 2004, 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:

None

Mortin L. Hodin

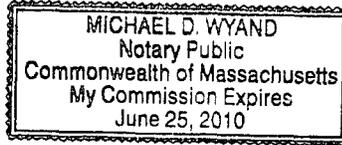
Signature

President

Title

Michael D. Wyand

Notary Public



This report \*\* contains (check all applicable boxes):

- X (a) Facing Page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Cash Flows.
- X (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- X (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- X (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.
- X (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.
- X (o) Independent Auditors Report on Internal Control

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

HODIN ASSOCIATES, INC.  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2004

## CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS:	
Statement of Financial Condition	2
Statement of Operations	3
Statement of Stockholder's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
 INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL	



INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS AND STOCKHOLDER  
HODIN ASSOCIATES, INC.  
BURLINGTON, MASSACHUSETTS

We have audited the accompanying statement of financial condition of Hodin Associates, Inc. as of December 31, 2004, and the related statements of operations, stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the 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 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 Hodin Associates, Inc. as of December 31, 2004 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.

*Sullivan Shuman & Freedberg LLC*

January 19, 2005

HODIN ASSOCIATES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2004

ASSETS

CASH	\$ 11,461
SECURITIES OWNED:	
Marketable	10,090
Not readily marketable	1,500
	<u>11,590</u>
PREPAID EXPENSES	954
EQUIPMENT, at cost, less accumulated depreciation of \$19,623	<u>652</u>
	<u>\$ 24,657</u>

LIABILITY AND STOCKHOLDER'S EQUITY

ACCOUNTS PAYABLE AND ACCRUED EXPENSE	\$ <u>714</u>
STOCKHOLDER'S EQUITY:	
Common stock, no par value, 1,000 shares authorized, 100 shares issued and outstanding	100
Additional paid-in capital	77,872
Accumulated deficit	<u>(54,029)</u>
TOTAL STOCKHOLDER'S EQUITY	<u>23,943</u>
	<u>\$ 24,657</u>

The accompanying notes are an integral part of the financial statements.

HODIN ASSOCIATES, INC.  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2004

REVENUES:	
Commissions and fee income	\$ 32,069
Investment income	690
	<u>32,759</u>
 OPERATING EXPENSES	 <u>31,161</u>
 NET INCOME	 <u>\$ 1,598</u>

The accompanying notes are an integral part of the financial statements.

HODIN ASSOCIATES, INC.  
STATEMENT OF STOCKHOLDER'S EQUITY  
YEAR ENDED DECEMBER 31, 2004

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
BALANCE, December 31, 2003	\$ 100	\$ 77,872	\$ (55,627)	\$ 22,345
NET INCOME	-	-	1,598	1,598
BALANCE, December 31, 2004	<u>\$ 100</u>	<u>\$ 77,872</u>	<u>\$ (54,029)</u>	<u>\$ 23,943</u>

The accompanying notes are an integral part of the financial statements.

HODIN ASSOCIATES, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2004

OPERATING ACTIVITIES:

Net income	\$ 1,598
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	500
Unrealized gain on securities owned	(690)
Changes in operating assets and liabilities:	
Prepaid expenses	(954)
Accounts payable and accrued expense	258
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>712</u>
CASH, beginning of year	<u>10,749</u>
CASH, end of year	<u>\$ 11,461</u>

The accompanying notes are an integral part of the financial statements.

HODIN ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS

A. Line of Business:

Hodin Associates, Inc. is an investment banking firm specializing in mergers and acquisitions. It is a registered securities broker-dealer. The Company does not hold funds or securities for the accounts of its customers and thus claims an exemption from the requirements of Securities and Exchange Rule 15(c)3-3.

B. Summary of Significant Accounting Policies:

Securities Transactions:

Securities transactions and related income and expenses are recognized on a settlement date basis.

Securities Owned:

Marketable securities are carried at market value. Unrealized gains or losses as a result of changes in market value are included in income. Securities that are not readily marketable represent unregistered common stock shares and warrants to purchase additional unregistered common shares of a public corporation. These securities are carried at cost, which approximates estimated fair value as determined by management.

Equipment:

Equipment is stated at cost and consists primarily of office and computer equipment. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of these assets are five to seven years.

Taxes on Income:

The Company has elected to be treated as an S Corporation for both federal and state tax purposes whereby the stockholder reports all income and losses on his individual tax return. Accordingly, no taxes on income have been provided.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HODIN ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS

C. Net Capital Requirement under Rule 15(c)3-1:

The Company's net capital as calculated under the Uniform Net Capital Rule (Rule 15(c)3-1) is as follows:

Stockholder's equity as of December 31, 2004	\$ 23,943
Less:	
Prepaid expenses	954
Equipment, net	652
Haircuts:	
Not readily marketable securities	1,500
Readily marketable securities	1,514
Undue concentration	<u>1,514</u>
Net capital as of December 31, 2004	<u>\$ 17,809</u>
Minimum required	<u>\$ 5,000</u>

Following is a reconciliation of the Company's net capital as calculated above to that shown on the Company's December 31, 2004 unaudited Part II of Form X-17-A-5 filed previously:

Net capital as reported on Part II of Form X-17-A-5	\$ 18,737
Correction for prepaid expenses	(954)
Correction to haircuts on securities	<u>26</u>
Net capital as above	<u>\$ 17,809</u>

D. Subordinated Liabilities:

The Company did not have any subordinated liabilities at any time during the year.

E. Related Party Transactions:

During 2004, the Company received \$32,069 in revenues from an affiliated entity.

In accordance with a written agreement, the Company utilizes office space and services provided by an affiliated company without charge. The agreement is based upon an annual evaluation of the resources utilized by the company. Historically, the evaluation has resulted in a determination that actual use of resources is insignificant. The agreement is renewable annually.

HODIN ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS

F. Supplemental Cash Flow Information:

During 2004, \$456 was expended on taxes.



THE BOARD OF DIRECTORS AND STOCKHOLDER  
HODIN ASSOCIATES, INC.  
BURLINGTON, MASSACHUSETTS

In planning and performing our audit of the financial statements of Hodin Associates, Inc. for the year ended December 31, 2004, we considered its internal control structure, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

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 compliance with 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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive positions of Rule 15(c)3-3. 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.
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 judgements by management are required to assess the expected benefits and related costs of controls 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 internal control 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud 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 internal control would not necessary disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that errors or fraud 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 internal control, including internal control activities for safeguarding securities, that we consider to be material weakness 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 purpose 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, 2004, to meet the SEC's objectives.

This report is intended solely for information and use of the Board of Directors, management, the SEC, the NASD, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchanges Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Sullivan Shuman + Ferro Gray LLC*

January 19, 2005