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

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

SEC FILE NUMBER
8-48967

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 1-01-04 AND ENDING 12-31-04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: J.W. Millegan, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
P.O. Box 1012

OFFICIAL USE ONLY
FIRM I.D. NO.

Pacific City (No. and Street) Oregon 97135
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
James W. Millegan (503) 295-5233
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Geffen, Mesher & Company, P.C.

(Name - if individual, state last, first, middle name)
888 SW Fifth Avenue, Suite 800 Portland Oregon 97204
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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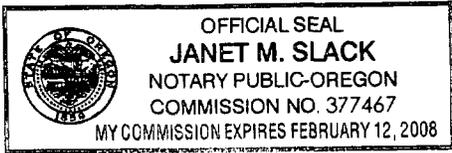
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, James W. Millegan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of J.W. Millegan, Inc., as 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:



[Signature]
Signature
President
Title

Janet M Slack
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Changes in Cash Flows.
- (e) Statement of Changes in Stockholders' Equity of 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 of 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) Independent Auditors' Report on Internal Accounting Control.

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

J.W. MILLEGAN, INC.

FORM X-17A-5 PART IIA

**OF THE FOCUS REPORT
OF THE**

SECURITIES AND EXCHANGE COMMISSION

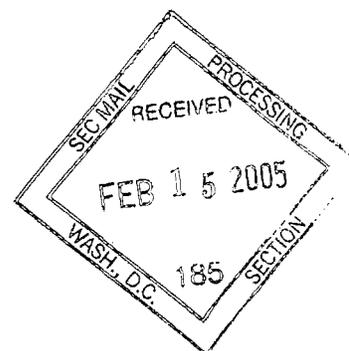
YEAR ENDED DECEMBER 31, 2004

J. W. MILLEGAN, INC.

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	Financial statements
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5	Statement of cash flows
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	Accompanying information to financial statements
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GEFFEN MESHER

& COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
J.W. Millegan, Inc.
Pacific City, Oregon

We have audited the accompanying statement of financial condition of J.W. Millegan, Inc. as of December 31, 2004, and the related statements of operations, changes in shareholder'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 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 J.W. Millegan, 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 8 and 9 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 of the Securities and Exchange Commission. This 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 when considered in relation to the basic financial statements taken as a whole.

January 21, 2005

Geffen Mesher & Company, P.C.



J.W. MILLEGAN, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2004

ASSETS

Cash and cash equivalents	\$	106,424
Commissions receivable		53,800
Deposit with clearing broker		25,000
Other assets		9,772

Total assets \$ 194,996

LIABILITIES AND SHAREHOLDER'S EQUITY

Accrued expenses	\$	50,979
Payable to clearing broker		6,364

Total liabilities 57,343

Commitments

Shareholder's equity

Common stock, no par, stated value \$50 per share; 1,000 shares authorized, 100 shares issued and outstanding		5,000
Additional paid-in capital		259,962
Retained earnings	(127,309)

Total shareholder's equity 137,653

\$ 194,996

J.W. MILLEGAN, INC.

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2004

Revenues

Securities commissions	\$ 1,538,574
Interest income	534
	<hr/>
	1,539,108

Expenses

Payroll and related expenses	393,358
Employee benefits	22,744
Commissions	149,518
Communications	38,274
Dues and subscriptions	3,117
Insurance	1,507
Miscellaneous	1,844
Postage	4,030
Professional fees	30,933
Promotion	12,455
Regulatory fees	4,181
Rent	273,391
Supplies and printing	19,554
Taxes and licenses	870
Telephone	25,746
Travel and entertainment	1,254
	<hr/>
	982,776

Net income	\$ 556,332
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J.W. MILLEGAN, INC.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

YEAR ENDED DECEMBER 31, 2004

	Common stock	Additional paid-in capital	Retained earnings	Total
Balances at beginning of year	\$ 5,000	\$ 199,962	(\$ 67,641)	\$ 137,321
Net income			556,332	556,332
Shareholder contributions		60,000		60,000
Shareholder distributions			(616,000)	(616,000)
Balances at end of year	\$ 5,000	\$ 259,962	(\$ 127,309)	\$ 137,653

J.W. MILLEGAN, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2004

Cash flows from operating activities

Net income	\$ 556,332
Net changes in operating assets and liabilities	
Commissions receivable	38,929
Deposit with clearing broker	25,000
Other assets	3,071
Accrued expenses	28,331
Payable to clearing broker	(4,391)

Net cash provided by operating activities 647,272

Cash flows from financing activities

Shareholder distributions	(616,000)
Shareholder contributions	60,000

Net cash used in financing activities (556,000)

Net increase in cash and cash equivalents 91,272

Cash and cash equivalents at beginning of year 15,152

Cash and cash equivalents at end of year \$ 106,424

Supplemental disclosures of cash flow information

Cash paid during the year for local income taxes	\$ 4,459
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J.W. MILLEGAN, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

1. Line of business and significant accounting policies

Line of business

The Company operates as a fully disclosed securities broker dealer with customers throughout the United States. Operations consist primarily of executing the purchases and sales of securities for the accounts of customers and performing securities related consulting activities.

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Security transactions

Security transactions and related commission revenue and expense are recorded on a trade date basis.

Concentrations of credit risk

The Company has cash in the form of deposits which may exceed depository insurance limits. The Company makes such deposits with high credit quality entities and has not incurred any credit related losses.

Cash equivalents

Cash and cash equivalents are stated at cost, which approximates fair market value. The Company considers short-term, highly liquid investments with an original maturity date of three months or less to be cash equivalents.

Accrued rent expense

Rent expense on operating leases with scheduled rent increases is recognized on a straight-line basis over the lease term. Accrued rent expense represents the accumulated excess of rent charged to expense over the amount of the scheduled rent paid. For the year ending December 31, 2004, accrued rent expense of approximately \$33,000 is included in accrued expenses.

Income taxes

The Company, with the consent of its shareholders, has elected to be treated as an "S" Corporation under the Internal Revenue Code. Instead of paying corporate income taxes, the shareholders of an "S" Corporation are taxed individually on the Company's taxable income. Therefore, no provision or liability for corporate income taxes has been included in these financial statements.

J.W. MILLEGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2004

2. Net capital

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. As a result, the minimum net capital required is the greater of \$5,000 or 1/8th of aggregate indebtedness, as defined. At December 31, 2004, the Company had net capital and required net capital of \$127,881 and \$5,000, respectively, and a ratio of aggregate indebtedness to net capital of .45 to 1. Net capital and required net capital may fluctuate on a daily basis.

3. Lease commitments

The Company leases office space under an operating lease which expires in March 2011. The Company also leases office equipment and additional office space under non-cancelable operating leases from a related party on a month-to-month basis. Future minimum lease payments for the office lease are approximately as follows:

Year ending December 31,	Minimum lease payments
2005	\$ 65,200
2006	67,200
2007	69,100
2008	71,200
2009	73,300
Thereafter	94,900
	\$ 440,900

Rent expense was approximately \$65,000 for the year ended December 31, 2004.

4. Related party

The Company's shareholder is also a majority owner of Maolagain, L.L.C. from which the Company leases equipment, artwork, and office space at the Company's corporate headquarters in Pacific City, Oregon on a month-to-month basis. The related rental expense for the year ended December 31, 2004 was \$166,261 for equipment and artwork and \$23,252 for office space.

J.W. MILLEGAN, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1

YEAR ENDED DECEMBER 31, 2004

Net capital	
Total shareholder's equity	\$ 137,653
Less nonallowable assets	
Other assets	9,772
Net capital	\$ 127,881
Aggregate indebtedness	
Accrued expenses	\$ 57,343
Computation of basic net capital requirements	
Minimum net capital required	\$ 5,000
Excess net capital	\$ 122,881
Excess of net capital at 1,000%	\$ 122,146
Ratio of aggregate indebtedness to net capital	0.45 to 1

Reconciliation with Company's computation

There were no material differences between these computations and the computations included in the Company's Part IIA of Form X-17a-5 unaudited report as of December 31, 2004, filed on January 25, 2005.

J.W. MILLEGAN, INC.

EXEMPTION FROM RESERVE REQUIREMENTS UNDER RULE 15c3-3

YEAR ENDED DECEMBER 31, 2004

Exemptive provisions

The Company is exempt from Rule 15c3-3 in that the Company does not receive or hold any customer securities or cash.

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

Board of Directors
J.W. Millegan, Inc.
Pacific City, Oregon

In planning and performing our audit of the financial statements of J.W. Millegan, Inc. for the year ended December 31, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but 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 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 (i) making the quarterly securities examinations, counts, verifications and comparisons, (ii) recordation of differences required by Rule 17a-13 or (iii) 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 internal control 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 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 preparation of financial statements in conformity 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.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risks that they might become inadequate because of changes in conditions or that the effectiveness of their design and operation might deteriorate.



Our consideration of internal control would not necessarily 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 error 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 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 Commission 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, 2004, to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of J.W. Millegan, Inc. to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control, and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the use of management, the Securities and Exchange Commission and the National Association of Securities Dealers and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation or registered brokers and dealers and is not intended to be and should not be used by anyone other than these specified parties.

Deffen Mesher & Company, P.C.

January 21, 2005