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

SEC FILE NUMBER
8- 31336

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Financial Designs Corp
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
7220 ROSEMEAD BLVD #206

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
SAN GABRIEL CA 91775-1398
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
SEAN BILECKI (626) 285-0178
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GRIFFITH, PETER SCOTT
(Name - if individual, state last, first, middle name)
41 E. FOOTHILL BLVD., #206 ARCADIA CA 91006
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
MAR 11 2005
THOMSON FINANCIAL
SEC MAIL RECEIVED
FEB 24 2005
SECTION 179

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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)

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, SEAN P. BILECKI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FINANCIAL DESIGNS CORPORATION, as of DECEMBER 31, 20 04, 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

V.P., CHIEF FINANCIAL OFFICER

Title

Maria Morton

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.

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

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT
41 E. FOOTHILL BLVD. SUITE 204
ARCADIA, CA 91006
Phone (626) 447-5550
Fax (626) 447-1223
e-mail: pete@petersgriffithcpa.com

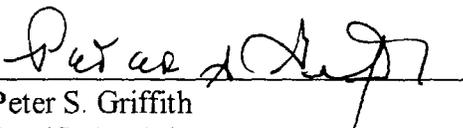
INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Financial Designs Corporation

I have audited the accompanying Balance Sheet of Financial Designs Corporation as of December 31, 2004, and the related Profit & Loss Statement, Retained Earnings, and Cash Flows and the Statement of Changes in Stockholder's Equity for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, in 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Financial Designs Corporation as of December 31, 2004 and the results of its operations and its cash flow for the year then ended in conformity with generally accepted accounting principles.


Peter S. Griffith
Certified Public Accountant

February 13, 2005

Financial Designs Corporation
Balance Sheet
 As of December 31, 2004

	<u>Dec 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
1001 · Checking Account	16,740.39
1002 · Checking Acct - MDP	5,644.58
1003 · Checking Acct - Payroll	77,949.32
1004 · Checking Acct - Citibank	7,508.88
1050 · Franklin Money Fund	563.06
1060 · Fidelity Money Market	819.25
Total Checking/Savings	<u>109,225.48</u>
Other Current Assets	
1100 · Commissions Receivable	540.00
1120 · Larkin Account	38,290.40
1125 · Bender Funds	7,611.85
1150 · Officer Loan	60,000.00
Total Other Current Assets	<u>106,442.25</u>
Total Current Assets	215,667.73
Fixed Assets	
1300 · Computer	66,369.00
1305 · Chairs	5,205.33
1310 · Copier & Stand	3,548.00
1320 · Telephone Equipment	4,936.00
1330 · Air Conditioner	2,707.00
1340 · File Cabinets	13,106.00
1350 · Security System	3,420.00
1360 · Paper Shredder	1,507.00
1370 · Xerox Copier	6,111.00
1380 · Office Equipment	13,939.19
1500 · Accumulated Depreciation	-108,102.00
Total Fixed Assets	<u>12,746.52</u>
TOTAL ASSETS	<u><u>228,414.25</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000 · Clearing Charges	571.66
2030 · Miscellaneous Liabilities	3,910.00
2050 · Employee Bonuses	17,128.00
2100 · Income Taxes	
2101 · Federal	188.00
Total 2100 · Income Taxes	<u>188.00</u>
2105 · Dividend Payable	1,000.00
Total Other Current Liabilities	<u>22,797.66</u>
Total Current Liabilities	<u>22,797.66</u>
Total Liabilities	22,797.66
Equity	
3000 · Common Stock	3,000.00
3005 · Dividend	-1,000.00
3010 · Unrealized Capital Losses	-5,825.55
3900 · Retained Earnings	214,301.15
Net Income	-4,859.01
Total Equity	<u>205,616.59</u>
TOTAL LIABILITIES & EQUITY	<u><u>228,414.25</u></u>

Financial Designs Corporation
Profit & Loss
 January through December 2004

	<u>Jan - Dec 04</u>
Ordinary Income/Expense	
Income	
4000 · Commission Income	12,551.77
4010 · Fees & Reimbursements	996,868.38
4020 · Interest & Dividends	5,133.33
4040 · Trail Commissions	47,358.88
4060 · Tax Preparation	18,342.60
Total Income	<u>1,080,254.96</u>
Expense	
6010 · Asset Allocation Fees	6,929.80
6015 · Bonuses	17,128.00
6020 · Clearing Charges Fees	6,719.36
6030 · Consulting	1,500.00
6040 · Commissions	39,652.42
6055 · Computer Consulting	12,028.79
6060 · Depreciation	6,003.00
6080 · Employment Taxes	39,081.62
6100 · Error Account Fees	175.00
6110 · Fees	2,496.25
6115 · Financial Planning Fees	4,000.00
6120 · Insurance	11,342.05
6130 · Lease - Equipment	79,584.00
6140 · Lease - Office	10,464.00
6159 · Marketing	6,096.44
6160 · Medical Reimbursement	24,394.64
6165 · Medical Insurance	18,876.51
6170 · Office Supplies & Expense	63,455.10
6180 · Regulatory Fees	2,937.13
6190 · Retainer Fees & Costs	597.00
6193 · Retirement Plan	3,627.00
6195 · RIA Fees	1,010.40
6200 · Salaries	
6201 · Officer	360,000.00
6202 · Other	347,882.60
Total 6200 · Salaries	<u>707,882.60</u>
6230 · Tax Processing	5,475.00
6235 · Tax & Accounting Fees	2,075.00
6240 · Telephone & Utilities	10,594.86
Total Expense	<u>1,084,125.97</u>
Net Ordinary Income	-3,871.01
Other Income/Expense	
Other Expense	
7000 · Provision for Income Taxes	
7010 · Federal	188.00
7020 · State	800.00
Total 7000 · Provision for Income Taxes	<u>988.00</u>
Total Other Expense	<u>988.00</u>
Net Other Income	-988.00
Net Income	<u><u>-4,859.01</u></u>

Financial Designs Corporation
Statement of Cash Flows
 January through December 2004

	<u>Jan - Dec 04</u>
OPERATING ACTIVITIES	
Net Income	-4,859.01
Adjustments to reconcile Net Income to net cash provided by operations:	
1100 · Commissions Receivable	-75.00
1120 · Larkin Account	2,716.33
1125 · Bender Funds	-699.04
1160 · Prepaid Taxes Based on Income:1161 · Federal	924.00
2000 · Clearing Charges	367.16
2005 · Asset Allocation Costs	-52.00
2030 · Miscellaneous Liabilities	-1,017.93
2050 · Employee Bonuses	12,128.00
2100 · Income Taxes:2101 · Federal	188.00
2105 · Dividend Payable	1,000.00
Net cash provided by Operating Activities	10,620.51
INVESTING ACTIVITIES	
1500 · Accumulated Depreciation	6,003.00
Net cash provided by Investing Activities	6,003.00
FINANCING ACTIVITIES	
3005 · Dividend	-1,000.00
3010 · Unrealized Capital Losses	-1,573.46
Net cash provided by Financing Activities	-2,573.46
Net cash increase for period	14,050.05
Cash at beginning of period	95,175.43
Cash at end of period	109,225.48

FINANCIAL DESIGNS CORPORATION
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2004

Retained Earnings, December 31, 2003	\$ 210,049
Net Income (Loss) 2004	\$ (4,859)
Dividends	\$ (1,000)
Increase In Unrealized Capital Losses	<u>\$ (1,573)</u>
Retained Earnings, December 31, 2004	\$ 202,617

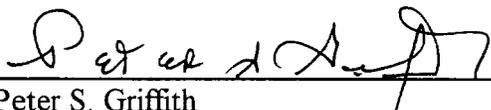
FINANCIAL DESIGNS CORPORATION

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

December 31, 2004

Stockholders Equity		
Common Stock	\$ 3,000	
Retained Earnings	<u>\$ 210,049</u>	
Total Stockholders' Equity (12/31/03)		\$ 213,049
Stockholders' Equity		
Common Stock	\$ 3,000	
Retained Earnings	<u>\$ 202,617</u>	
Total Stockholders' Equity (12/31/04)		<u>\$ 205,617</u>
CHANGE IN STOCKHOLDERS' EQUITY		<u><u>\$ (7,432)</u></u>

I have examined the financial statements of Financial Designs Corporation as of December 31, 2004, and determined that the above information is correct.



Peter S. Griffith
Certified Public Accountant

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT

41 E. FOOTHILL BLVD. SUITE 204

ARCADIA, CA 91006

Phone (626) 447-5550

Fax (626) 447-1223

e-mail: pete@petersgriffithcpa.com

FINANCIAL DESIGNS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

1. Principles of Accounting

The financial statement of Financial Designs Corporation are prepared in the accrual basis of accounting. No material inadequacies have been found to exist.

2. Income Taxes

The corporation provides for income taxes utilizing the accrual method of accounting.

3. Common Stock

Shares Authorized:	10,000
Issued & Outstanding:	1,000
Par Value	\$ 3.00

4. Equipment

The company depreciated its fixed assets for financial accounting purposes on the straight line method.

See accompanying accountant's report.

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT

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FINANCIAL DESIGNS CORPORATION
Report Regarding Material Inadequacies

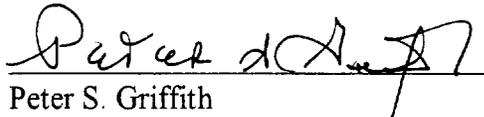
I have examined the financial statements of Financial Designs Corporation as of December 31, 2004. My Accountants Report was dated February 13, 2005.

Pursuant to Rule 17a-5(d)(i), no material inadequacies were found to exist since my last audit of January 26, 2004.

My audit was made in accordance with generally accepted auditing standards and included a review of the books, records, accounting systems, bank statements, mutual fund statements, general ledger, blotter, products sales ledger, internal accounting controls, and procedures for safeguarding securities. I reviewed the Statement of Financial Position, the Statement of Operations, the Statement of Cash Flow, the Statement of Changes in Stockholders' Equity, the Computation of Net Capital. The scope of the audit and review of the accounting system were sufficient to provide reasonable assurance that any material inadequacies existing at the date of the examination would be disclosed.

In addition, the audit included reviews of the practices and procedures followed by the client:

1. in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e);
2. in filing the various Focus Reports;
3. in monitoring insider trading and suspicious trades.



Peter S. Griffith
Certified Public Accountant

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT

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ARCADIA, CA 91006

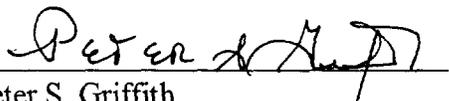
Phone (626) 447-5550

Fax (626) 447-1223

e-mail: pete@petersgriffithcpa.com

I have examined the financial statements of Financial Designs Corporation as of December 31, 2004. My Accountants Report was dated February 13, 2005.

Pursuant to Rule 17a-5 (d) (i), no material inadequacies were found to exist since my last audit of January 26, 2004.

A handwritten signature in black ink, appearing to read "Peter S. Griffith", written over a horizontal line.

Peter S. Griffith

Certified Public Accountant

PETER S. GRIFFITH

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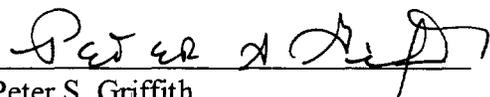
Fax (626) 447-1223

e-mail: pete@petersgriffithcpa.com

To: Securities and Exchange Commission
NASD, Inc.

Enclosed is a computation of Net Capital under SEC Rule 15c 3-1. In my annual audited report (Form x-17a-5) for fiscal year ending December 31, 2004, I found no major differences between my computation of net capital and Financial Designs Corporations' computation of net capital as determined on the Focus 2A report filed for fiscal year ending December 31, 2004.

Very best regards,



Peter S. Griffith

Certified Public Accountant

FINANCIAL DESIGNS CORPORATION

COMPUTATION OF NET CAPITAL

December 31, 2004

Computation of Net Capital (12/31/03)		
Ownership equity per audit		\$ 205,617
Modifications		
Net fixed assets		(12,747)
Accrued Income Taxes		188
		<hr/>
Ownership equity per Focus IIA		\$ 193,058
Nonallowable assets		
Officer loan	\$ 60,000	(60,000)
		<hr/>
Net capital before haircuts on securities positions		\$ 133,058
Haircuts		
Pilgrim Prime Rate \$37,774 x 15% =	\$ 5,666	
Emmett Larkin MM \$270 x 2% =	5	
Franklin Money Fund \$563 x 2% =	11	
Fidelity Prime Fund \$819 x 2% =	16	
Bender Growth Fund \$7,612 x 15% =	1,142	
		<hr/>
		(6,840)
Net Capital		<hr/>
		\$ 126,218

COMPUTATION OF BASIS NET CAPITAL EQUIPMENT

Minimum net capital requirement	\$	50,000
Excess net capital	\$	76,218
Excess net capital at 1000%	\$	123,938
Total A.I. Liabilities from Statement of Financial Condition	\$	22,798
Total aggregate indebtedness	\$	22,798
Percentage of aggregate indebtedness to net capital		18.4%
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		0%

There are no material differences in this computation and the unaudited Focus IIA report.