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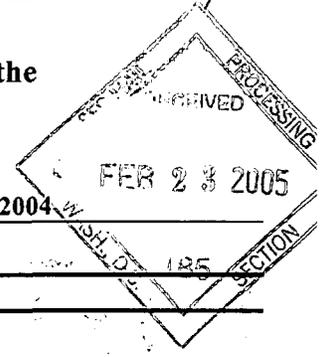
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

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 January 1, 2004 AND ENDING December 31, 2004
(MM/DD/YY) (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
MedVest Capital

OFFICIAL USE ONLY
FIRM ID. NO.

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

17360 - 73rd Place North
(No. and Street)
Maple Grove Minnesota 55311
(City) (State) (Zip Code)

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

Douglas Eayrs 763-773-9797
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Mayer Hoffman McCann P.C.
(Name - if individual, state last, first, middle name)
222 South 9th Street, Suite 1700 Minneapolis MN 55402
(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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TRUST FINANCIAL

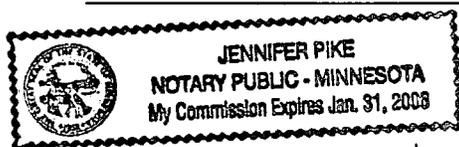
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

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, Douglas Eayrs, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MedVest Capital 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:



Jennifer Pike
Notary Public

Douglas A. Eayrs
Signature
President
Title

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 15c-3-3 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) Independent Auditing report on internal accounting controls.

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

MEDVEST CAPITAL

FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003



Mayer Hoffman McCann P.C.

An Independent CPA Firm

1700 Campbell Mithun Tower
222 South Ninth Street
Minneapolis, MN 55402
phone: 612-339-7811
fax: 612-339-9845
www.mhm-pc.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

MEDVEST CAPITAL

We have audited the statement of financial condition of MedVest Capital as of December 31, 2004 and the related statements of operations, changes in partners' equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5(g) 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 U.S. generally accepted auditing standards. 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 MedVest Capital as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Mayer Hoffman McCann P.C.

Minneapolis, Minnesota
February 17, 2005

MEDVEST CAPITAL

STATEMENT OF FINANCIAL CONDITION

December 31, 2004

	<u>2004</u>
<u>ASSETS</u>	
ASSETS	
Cash	\$ 9,217
Prepaid expenses	1,682
TOTAL ASSETS	<u>\$ 10,899</u>
<u>LIABILITIES</u>	
LIABILITIES	
Accounts payable and accrued expenses	\$ 510
TOTAL LIABILITIES	<u>510</u>
<u>PARTNERS' EQUITY</u>	
TOTAL PARTNERS' EQUITY	<u>10,389</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u>\$ 10,899</u>

See Notes to Financial Statements

MEDVEST CAPITAL

STATEMENT OF OPERATIONS

Year Ended December 31, 2004

	<u>2004</u>
REVENUES	
Consulting fees	\$ 27,300
Reimbursed expenses	<u>997</u>
TOTAL REVENUES	<u>28,297</u>
OPERATING EXPENSE	
Insurance	947
Regulatory fees	4,138
Rent	3,500
Travel	1,420
Professional fees	7,549
Office expense	<u>2,975</u>
	<u>20,529</u>
OPERATING INCOME	<u>7,768</u>
OTHER INCOME:	
Interest income	<u>1,625</u>
TOTAL OTHER INCOME	<u>1,625</u>
NET INCOME	<u>\$ 9,393</u>

See Notes to Financial Statements

MEDVEST CAPITAL

STATEMENT OF CHANGES IN PARTNERS' EQUITY

Year Ended December 31, 2004

	<u>Total Partners' Equity</u>
Balance, December 31, 2003	\$ 62,522
Capital contribution	5,000
Capital distributions	(66,526)
Net income (loss)	<u>9,393</u>
Balance December 31, 2004	<u>\$ 10,389</u>

See Notes to Financial Statements

MEDVEST CAPITAL

STATEMENT OF CASH FLOWS

Year Ended December 31, 2004

	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 9,393
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation and amortization	2,041
Decrease (increase) in operating assets:	
Receivables	271
Prepaid expenses	(1,682)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	510
	<u>10,533</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	
	<u>10,533</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital distributions	(16,526)
Capital contributions	5,000
	<u>(11,526)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>(11,526)</u>
NET INCREASE (DECREASE) IN CASH	(993)
CASH, BEGINNING OF YEAR	<u>10,210</u>
CASH, END OF YEAR	<u><u>\$ 9,217</u></u>

See Notes to Financial Statements

MEDVEST CAPITAL

NOTES TO FINANCIAL STATEMENTS

(1) Nature of business and significant accounting policies

Nature of business - MedVest Capital (the Company) provides investment banking and advisory services to corporate clients regarding strategic financial and general business matters. The Company's 2004 investment banking activities and advisory services were primarily performed on behalf of two customers.

A summary of the Company's significant accounting policies follows:

Cash and cash equivalents - For purposes of reporting the statement of cash flows, the Company includes all cash accounts and all highly liquid investments purchased with a maturity of three months or less, other than securities held for sale in the normal course of business, as cash and cash equivalents on the accompanying statements of financial condition.

Trade receivables - Trade receivables are customer obligations due under normal trade terms requiring payment within 30 days of the invoice date. Unpaid accounts receivable which are past due are not charged a monthly service fee.

Accounts receivable are stated at the amount billed to the customer. Customer account balances with invoices dated over 90 days old are considered delinquent.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the oldest invoices on the customer's account.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the accounts that will not be collected. Management reviews all accounts receivable balances and determines course of action on a delinquent account.

Revenue recognition - Investment banking fee income is recognized when earned, typically upon closing of the transaction. Income from consulting is recognized monthly upon completion of the services provided.

Income taxes - The Company, with the consent of its partners, has elected to be taxed under sections of the federal and state income tax laws which provide that, in lieu of corporation income taxes, the partners separately account for the Company items of income, deductions, losses, and credits. Therefore, these statements do not include any provision for corporate income taxes.

Concentration of credit risk - As a broker and dealer, the Company is engaged in various securities trading and brokerage activities servicing a diverse group of corporate and individual investors. The Company's exposure to credit risk associated with the nonperformance of these customers in fulfilling their contractual obligations pursuant to securities, options and commodities transactions can be directly impacted by volatile securities markets, credit markets and regulatory changes which may impair the customer's ability to satisfy their obligations to the Company.

MEDVEST CAPITAL

NOTES TO FINANCIAL STATEMENTS

(1) Nature of business and significant accounting policies (continued)

A summary of the Company's significant accounting policies follows: (continued)

Use of estimates - The preparation of financial statements in conformity with U.S. 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(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. In addition, restrictions may be imposed to prohibit equity withdrawals or cash dividends if the resulting net capital ratio would exceed 10 to 1. At December 31, 2004, the Company had net capital as defined by Rule 15c3-1 of \$8,707 which exceeds its required net capital of \$5,000 by \$3,707. The Company's ratio of aggregate indebtedness to net capital was .059 to 1 at December 31, 2004.

(3) Exemption

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission. Therefore, the Company is not required to make the periodic computation of reserve requirements for the exclusive benefit of customers.

(4) Related party transactions

The Company leases office space from its owners on a month to month lease. The rent is \$500 per month and total rent expense was \$3,500 for 2004.

(5) Cash flow disclosures

The following is a summary of supplemental cash flow information:

	<u>Year Ended December 31, 2004</u>
Cash received from interest earned	\$ 1,625
NON-CASH INVESTING AND FINANCING ACTIVITIES	
Transfer of notes receivables from partners to capital distributions	\$ 50,000

ADDITIONAL INFORMATION



Mayer Hoffman McCann P.C.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL

To the Board of Directors

MEDVEST CAPITAL

We have audited the financial statements of MedVest Capital for the year ended December 31, 2004, and have issued our report thereon dated February 17, 2005. As part of our audit, we made a study and evaluation of the Company's system of internal accounting control (which includes the procedures for safeguarding securities) to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of our study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3 (a) (11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; or in complying with the requirements for prompt payment for securities of Section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining a system of internal accounting 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 control 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 Commission's above-mentioned objectives. The objectives of a system 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.

To the Board of Directors
MedVest Capital
Page Two

Because of inherent limitations in any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may nevertheless 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 degree of compliance with them may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of MedVest Capital taken as a whole. Our study and evaluation disclosed no condition that we believed to be a material weakness, and no facts came to our attention to cause us to believe that the Company was not in compliance with the exemptive provisions of Rule 15c3-3.

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 and 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 Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and the National Association of Securities Dealers, Inc., and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of members, and should not be used for any other purpose.

Mize Hoffman McCann P.C.

Minneapolis, Minnesota
February 17, 2005



Mayer Hoffman McCann P.C.

An Independent CPA Firm

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INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors

MEDVEST CAPITAL

We have audited the financial statements of MedVest Capital as of December 31, 2004. Our audit was made for the purpose of forming an opinion on the basic financial statements.

The information contained in Schedules I, II, III, and IV are 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. 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.

Mayer Hoffman McCann P.C.

Minneapolis, Minnesota
February 17, 2005

MEDVEST CAPITAL
COMPUTATIONS RELATED TO NET CAPITAL UNDER RULE 15c 3-1
OF THE SECURITIES AND EXCHANGE ACT OF 1934
December 31, 2004
COMPUTATION OF NET CAPITAL

		<u>Schedule I</u>
1. Total ownership equity from Statement of Financial Condition	\$	10,389
<hr/>		
2. Deduct: ownership equity not allowable for net capital		
3. Total ownership equity qualified for net capital		10,389
4. Add:		
a. Liabilities subordinated to claims of general creditors allowable in computation of net capital		-
b. Other (deductions) or allowable credits Deferred taxes on non allowable assets		
<hr/>		
5. Total capital and allowable subordinated liabilities		10,389
6. Deduction and/or charges:		
a. Total non-allowable assets included in Statement of Financial Condition:	\$	1,682
b. Secured demand note deficiency		-
c. Commodity futures contracts and spot commodities-proprietary capital charges		-
d. Other deductions and/or charges contingent liability		1,682
<hr/>		
7. Other additions and/or allowable credits:		
Deferred taxes on unrealized appreciation of investment securities		0
<hr/>		
8. Net capital before haircuts on securities positions		8,707
9. Haircuts on securities:		
a. Contractual securities commitments		
b. Subordinated securities borrowings		
c. Trading and investment securities:		
i. Exempted securities		
ii. Debt securities		
iii. Options		
iv. Other securities		0
d. Undue concentration (illiquid investment securities)		
e. Other		
<hr/>		
10. Net capital	\$	8,707
<hr/>		

MEDVEST CAPITAL
COMPUTATIONS RELATED TO NET CAPITAL UNDER RULE 15c 3-1
OF THE SECURITIES AND EXCHANGE ACT OF 1934
December 31, 2004
COMPUTATION OF BASIC CAPITAL REQUIREMENTS
AND AGGREGATE INDEBTEDNESS

Schedule II

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

11. Minimum net capital required (6-2/3% of line 19)	\$	34
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	5,000
13. Net capital requirement (greater of line 11 or 12)	\$	5,000
14. Excess net capital (line 10 less 13)	\$	3,707
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	8,656

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities included in Statement of Financial Condition	\$	510
17. Add:		
a. Drafts for immediate credit		
b. Market value of securities borrowed for which no equivalent value is paid or credited		
c. Other unrecorded amounts contingent liability		0
<hr/>		
19. Total aggregate indebtedness	\$	510
<hr/>		
20. Ratio of aggregate indebtedness to capital (line 19 divided by line 10)		0.059

MEDVEST CAPITAL
RECONCILIATION WITH COMPANY'S COMPUTATIONS RELATED
TO NET CAPITAL UNDER RULE 15c 3-3 OF THE
SECURITIES EXCHANGE ACT OF 1934
(Included in Part IIA of Form X-17A-5 as of December 31, 2004)

Schedule III

RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL

Net capital as reported in Part I of Form X-17A-5	\$ 8,707
Net audit adjustments	
Adjustments to current year tax provision	-

Net capital as reported on line 10 of Schedule I	\$ 8,707
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RECONCILIATION WITH COMPANY'S COMPUTATION OF AGGREGATE INDEBTEDNESS

Total aggregate indebtedness as reported in Part IIA of Form X-17A-5	\$ 510
Net audit adjustments:	
Adjustments to current year tax provision	0

Total aggregate indebtedness as reported on line 19 of Schedule II	\$ 510
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**MEDVEST CAPITAL
STATEMENT PURSUANT TO 15c 3-3
SECURITIES EXCHANGE ACT OF 1934
December 31, 2004**

Schedule IV

As more fully described in Note 3 of the notes to financial statements, the Company does not hold funds or securities of customers. Accordingly, the Company is exempt from the requirements to maintain a "Special Reserve Account for the Exclusive Benefit of Customers" under provisions of SEC Rule 15c-3 based on paragraph K (2) (i) of the rule.