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

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SECTION

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Hunter Scott Financial, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

110 East Atlantic Avenue, Suite 250

(No. and Street)

Delray Beach

Florida

33444

(City)

(State)

(Zip Code)

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

Peter Gauzos

(561)265-3614

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sherb & Co., LLP

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

805 Third Avenue

New York

New York

10022

(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 15 2005

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 (3-91)

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2/16/05

OATH OR AFFIRMATION

I, Peter Gouzos, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Hunter Scott Financial, LLC, 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:



Karen Z. Fischer
Commission #DD157726
Expires: Nov 17, 2006
Bonded Thru
Atlantic Bonding Co., Inc.

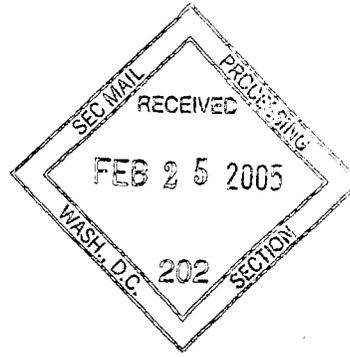
Peter Gouzos
Signature
Sworn personally to me
President
Title

Karen Z. Fischer
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 Proprietor's 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 SICP 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).



HUNTER SCOTT FINANCIAL, LLC
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

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SHERB & CO., LLP

Certified Public Accountants

805 Third Avenue

New York, NY 10022

Tel: 212-838-8100

Fax: 561-838-2676

e-mail: info@sherbcpa.com

Offices in New York and Florida

INDEPENDENT AUDITOR'S REPORT

Peter Gouzos, President
Hunter Scott Financial, LLC
Delray Beach, Florida

We have audited the accompanying statement of financial condition of Hunter Scott Financial, LLC as of December 31, 2004, and the related statements of operations, changes in members' equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 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 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 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 Hunter Scott Financial, LLC 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary information 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 under the Securities Exchange Act of 1934. 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 taken as a whole.

S. Gouzos & Co., LLP
Certified Public Accountants

New York, New York
February 21, 2005

HUNTER SCOTT FINANCIAL, LLC
STATEMENT OF FINANCIAL CONDITION
YEAR ENDED DECEMBER 31, 2004

ASSETS

Cash	\$	15,774
Commissions receivable		336,437
Advances - related parties		94,892
Other assets		26,760
Property and equipment, net of accumulated depreciation of \$4,410		<u>27,801</u>
Total assets	\$	<u>501,664</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Commissions payable	\$	188,790
Accounts payable and accrued expenses		<u>73,562</u>
		<u>262,352</u>
Members' equity		<u>239,312</u>
Total liabilities and members' equity	\$	<u>501,664</u>

See accompanying notes to financial statements.

HUNTER SCOTT FINANCIAL, LLC
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2004

Revenues:	
Commissions	\$ 5,785,124
Other income	302,957
Interest	<u>20,668</u>
Total revenues	<u>6,108,749</u>
Expenses:	
Commissions to agents/representatives	4,017,149
Clearing costs	453,971
Employee compensation and benefits	633,187
Taxes other than federal income tax	11,719
Insurance	53,176
Regulatory fees and expenses	105,099
Bank charges and other charges	2,915
Professional fees	31,775
Office expenses	428,450
Travel and entertainment	66,602
Postage and shipping	32,900
Maintenance	30,057
Telephone and internet	37,290
Depreciation	3,774
Utilities	1,941
Rent	<u>31,180</u>
Total expenses	<u>5,941,185</u>
Net income	<u>\$ 167,564</u>

See accompanying notes to financial statements.

HUNTER SCOTT FINANCIAL, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2004

Members' Equity - December 31, 2003	\$214,813
Distributions	(143,065)
Net income for the year ended December 31, 2004	<u>167,564</u>
Balance, December 31, 2004	<u>\$239,312</u>

See accompanying notes to financial statements.

HUNTER SCOTT FINANCIAL, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004

Cash flows from operating activities:	
Net loss	\$ 167,564
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	3,774
Changes in assets and liabilities:	
(Increase) decrease in:	
Commissions receivable	26,342
Other assets	25,556
Increase (decrease) in:	
Commissions payable	(59,874)
Accounts payable and accrued expenses	20,180
Net cash provided by operating activities	<u>183,542</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(18,083)</u>
Cash flows from financing activities:	
Advances to related parties	(31,718)
Distributions	<u>(143,065)</u>
Net cash used in financing activities	<u>(174,783)</u>
Net decrease in cash	(9,324)
Cash, beginning of year	<u>25,098</u>
Cash, end of year	<u>\$ 15,774</u>
<u>Supplemental disclosure of cash flow information:</u>	
Cash paid during the year for interest	<u>\$ 236</u>

See accompanying notes to financial statements.

**HUNTER SCOTT FINANCIAL, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004**

NOTE 1 - DESCRIPTION OF BUSINESS

Hunter Scott Financial, LLC (the "Company"), formerly known as Platinum Capital LLC, is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company was organized under the laws of the State of Florida on March 16, 1998 and is headquartered in Delray Beach, Florida. The Company acts as a broker dealer in securities transactions for its customers and uses Sterne, Agee & Leach, LLC as its clearing broker.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2004.

Revenue Recognition

The Company earns revenue (commissions) from brokerage and trading which are recognized on the day of the trade - trade date basis. The Company also earns revenue from consulting services. Such revenue is recognized as the services are performed.

Revenues are not concentrated in any particular region of the country or with any individual or group.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

As a limited liability company, the Company is treated as a partnership for Federal and State income tax purposes. Under subchapter K of the Internal Revenue Code, each member is taxed separately on his distributive share of the Company's income whether or not that income is actually distributed. Accordingly, no provision for income taxes has been recorded in the accompanying statement of operations for the year ended December 31, 2004.

NOTE 3 - DEPOSITS WITH CLEARING ORGANIZATIONS

As required by its clearing organization, a deposit of \$15,007 exists at Sterne, Agee & Leach, LLC.

NOTE 4 - ADVANCES - RELATED PARTIES

As of December 31, 2004, the Company has advanced \$94,892 to certain registered representatives and to a member. Such advances are noninterest bearing and due on demand, it is the Company's intent to deduct advances due from registered representatives from the future commissions payable to such individuals.

HUNTER SCOTT FINANCIAL, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Estimated Useful Life (Years)	
Furniture and equipment	5 to 7	\$21,414
Computers	5	8,297
Leasehold improvements	4	2,500
		<hr/>
		32,211
Less: accumulated depreciation		(4,410)
		<hr/>
		\$27,801

Depreciation expense for the year ended December 31, 2004 was \$3,774.

NOTE 6 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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, except for the first 12 months of operations when it shall not exceed 8 to 1 (and the rule of the “applicable” exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2004, the Company had net capital of \$104,566, which was \$87,075, in excess of its required net capital of \$17,491. The Company’s ratio of aggregate indebtedness to net capital computed in accordance with Rule 15c3-1 was 2.51 to 1.

The Company qualifies under the exemptive provisions of Rule 15c3-3 under Section (k)(2)(ii) of the Rule, as it does not carry security accounts of customers or perform custodial functions related to customer securities.

NOTE 7 – RECEIVABLE FROM AND PAYABLE TO CLEARING ORGANIZATIONS

The Company clears all of its proprietary and customer securities transactions through another broker-dealer on a fully disclosed basis. At no time is the Company in possession of customer funds.

The Company has a \$336,437 receivable from their clearing organization at December 31, 2004 which consists primarily of the Company’s net commissions due from customer trades.

NOTE 8 – MEMBERS’ EQUITY

During the year ended December 31, 2004, the Company distributed from its equity accounts \$143,065 to its members.

HUNTER SCOTT FINANCIAL, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 9 – OPERATING LEASE

The Company occupies its operating facilities under a five (5) year lease expiring on March 31, 2009 at an annual base rental of \$24,208 plus common area maintenance and state sales tax. The base rental has a 5% annual increase. Minimum future lease payments for the remaining term of the lease are as follows:

2005	\$25,734
2006	27,021
2007	28,372
2008	28,715
2009	7,177
	<u>\$117,019</u>

The lease has one five (5) year renewal option commencing April 1, 2009.

In addition, the Company leases vehicles and office equipment under non-cancelable operating leases. The Company is responsible for all insurance maintenance and taxes on the vehicles.

Lease payments under these operating leases for the year ended December 31, 2004 was \$19,006

Minimum future lease payments under these leases are as follows:

2005	\$16,045
2006	16,045
2007	15,377
	<u>\$47,467</u>

NOTE 10 – CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company maintains its cash in bank accounts at high credit quality financial institutions. The balances at times may exceed federally insured limits.

SUPPLEMENTARY INFORMATION

**HUNTER SCOTT FINANCIAL, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2004**

Net capital computation:

Total Members' Equity	\$ 239,312
Deductions and/or charges:	
Non-allowable assets:	
Advances - related parties	94,892
Other assets	11,753
Property and equipment	27,801
Total non-allowable assets	<u>134,446</u>
Net capital before haircuts on securities positions	<u>104,866</u>
Haircuts on securities:	
Security deposit	<u>300</u>
Total haircuts on securities	<u>300</u>
Net capital	104,566
Required minimum capital	<u>17,491</u>
Excess net capital	<u>\$ 87,075</u>

Aggregate indebtedness:

Aggregate indebtedness as included in the Statement of Financial Condition	\$ <u>262,352</u>
Total aggregate indebtedness	<u>\$ 262,352</u>
Ratio of aggregate indebtedness to net capital	<u>2.51 to 1</u>

Reconciliation:

Net capital, per unaudited December 31, 2004 FOCUS report, as filed	\$ 104,566
Net audit adjustments	<u>-</u>
Net capital, per December 31, 2004 audited report, as filed	<u>\$ 104,566</u>

HUNTER SCOTT FINANCIAL, LLC
Computation for Determination of Reserve Requirement

The Company did not make a computation for determining the reserve requirement to Rule 15c3-3 as they are exempt pursuant to subparagraph (k)(2)(i) of Rule 15c3-3 as all customer transactions are cleared through Sterne, Agee & Leach, LLC on a fully disclosed basis.

HUNTER SCOTT FINANCIAL, LLC
Information Relating to the Possession or Control Requirements
December 31, 2004

The Company did not supply information relating to the possession or control requirements under Rule 15c3-3 as they are exempt pursuant to subparagraph (k)(2)(i) of Rule 15c3-3 as all customer transactions are cleared through Sterne, Agee & Leach, LLC on a fully disclosed basis.



**REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

Peter Gouzos, President
Hunter Scott Financial, LLC
Delray Beach, Florida

In planning and performing our audit of the financial statements and supplemental schedules of Hunter Scott Financial, LLC for the year ended December 31, 2004, we considered its internal control, 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 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 provisions of rule 15c3-3. Because the Company does not carry securities 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 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 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 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, error 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 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, including control activities for safeguarding securities, which 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 SEC 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 is intended solely for the information and use of the Member, management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange 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.

Shub & Co., LLP
Certified Public Accountants

New York, New York
February 21, 2005