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

SEC FILE NUMBER

8-48614

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:

InvestIN Securities Corp.

OFFICIAL USE ONLY

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

FIRM ID. NO.

4245 North Central Expwy., Suite 465

(No. and Street)

Dallas

Texas

75205

(City)

(State)

(Zip Code)

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

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

CF & Co., L.L.P.

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

14175 Proton Rd.

Dallas

TX

75244

(Address)

(City)

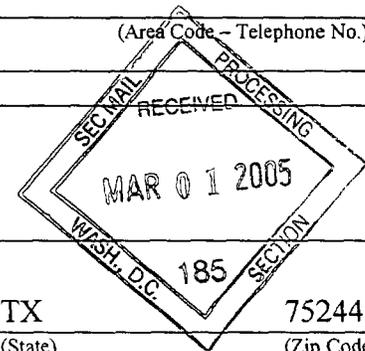
(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY



PROCESSED

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TRAVISON FINANCIAL

\*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, Laurence D. Briggs, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of InvestIN Securities Corp., 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  
President and Chief Executive Officer  
Title

\_\_\_\_\_  
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 Cash Flows
- (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 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 auditor's report on internal control

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

INVESTIN SECURITIES CORP.  
REPORT PURSUANT TO RULE 17a-5(d)  
DECEMBER 31, 2004

INVESTIN SECURITIES CORP.

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*CF & Co., L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
InvestIN Securities Corp.

We have audited the accompanying statement of financial condition of InvestIN Securities Corp., as of December 31, 2004, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, 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 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 InvestIN Securities Corp., 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedules I and II 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.

*CF & Co., LLP*  
CF & Co., L.L.P.

Dallas, Texas  
February 18, 2005

INVESTIN SECURITIES CORP.  
Statement of Financial Condition  
December 31, 2004

**ASSETS**

Cash and cash equivalents	\$ 17,181
Securities owned	22,586
Receivable from broker-dealer	44,693
Other receivables	1,167
Prepaid expenses and deposits	15,573
Deposit with clearing broker-dealer	28,487
Property and equipment, net of accumulated depreciation of \$221,457	<u>8,004</u>
	<u>\$ 137,691</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Liabilities:

Accounts payable - trade	<u>\$ 76,475</u>
Total liabilities	<u>76,475</u>

Stockholders' equity:

Common stock, par value, \$0.001 per share, 4,000,000 shares authorized, 230,100 shares issued and outstanding	230
Additional paid-in capital	312,315
Retained earnings (deficit)	<u>(251,329)</u>
Total stockholders' equity	<u>61,216</u>
	<u>\$ 137,691</u>

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

INVESTIN SECURITIES CORP.  
Statement of Income  
For the Year Ended December 31, 2004

Revenues:	
Commissions revenue	\$ 1,170,463
Software fees	297,498
Interest income	32,077
Trading gains/losses	(20,371)
Other income	<u>29,096</u>
Total revenues	<u>1,508,763</u>
Expenses:	
Transaction rebates	4,920
Commissions expense	138,472
Selling expenses	21,544
Payroll expense	321,343
General and administrative expense	261,360
Clearing and execution expense	<u>751,843</u>
Total expenses	<u>1,499,482</u>
Income before income taxes	9,281
Provision for income taxes	<u>--</u>
Net income	<u><u>\$ 9,281</u></u>

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

INVESTIN SECURITIES CORP.  
Statement of Changes in Stockholders' Equity  
For the Year Ended December 31, 2004

	<u>Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance at December 31, 2003	230,100	\$ 230	\$ 312,315	\$ (220,410)	\$ 92,135
Dividends	--	--	--	(40,200)	(40,200)
Net income	--	--	--	9,281	9,281
Balance at December 31, 2004	<u>230,100</u>	<u>\$ 230</u>	<u>\$ 312,315</u>	<u>\$ (251,329)</u>	<u>\$ 61,216</u>

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

INVESTIN SECURITIES CORP.  
Statement of Changes in Liabilities Subordinated  
to Claims of General Creditors  
For the Year Ended December 31, 2004

Balance at December 31, 2003	\$	--
Increases		--
Decreases		--
		<hr/>
Balance at December 31, 2004	\$	--
		<hr/> <hr/>

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

INVESTIN SECURITIES CORP.  
Statement of Cash Flows  
For the Year Ended December 31, 2004

**Cash flows from operating activities**

Net income	\$ 9,281
Adjustments to reconcile net income to net cash provided (used) by operating activities	
Depreciation	28,083
(Increase) decrease in securities owned	17,641
(Increase) decrease in receivable from broker-dealer	(31,476)
(Increase) decrease in prepaid assets	(4,622)
(Increase) decrease in deposit with broker-dealer	4,502
Increase (decrease) in accounts payable	23,733
Increase (decrease) in commissions payable	<u>(17,253)</u>
Net cash provided by operating activities	<u>29,889</u>

**Cash flows from financing activities**

Dividends paid	<u>(40,200)</u>
Net cash used by financing activities	<u>(40,200)</u>
Net decrease in cash and cash equivalents	(10,311)
Cash and cash equivalents at beginning of year	<u>27,492</u>
Cash and cash equivalents at end of year	<u>\$ 17,181</u>

**Supplemental Disclosures**

Cash Paid During the Year for:

Interest	<u>\$ 3,209</u>
Income taxes	<u>\$ --</u>

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

INVESTIN SECURITIES CORP.  
Notes to Financial Statements  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies

InvestIN Securities Corp. (the "Company"), is a financial services company incorporated in 1995, and is a wholly-owned subsidiary of Direct Access Trader Corp. (the "Parent"). The Company is a registered broker/dealer and a member of the National Association of Securities Dealers ("NASD"), Securities Industry Association ("SIA"), Securities Investor Protection Corporation ("SIPC") and Bond Market Association ("BMA").

The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belong to the Company's customers would be handled by a clearing broker-dealer.

**Management 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. Differences from those estimates are recorded in the period they become known.

**Cash and Cash Equivalents**

Cash and cash equivalents represent liquid investments with maturities at the date of acquisition of three months or less.

**Cash Concentration**

Cash account balances often exceed the federally insured limit.

**Revenue Recognition**

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

**Income Taxes**

The Company files a consolidated federal tax return with the Parent and records its share of the consolidated federal tax expense on a separate return basis.

INVESTIN SECURITIES CORP.  
Notes to Financial Statements  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies, continued

**Income Taxes**, continued

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due. The provision for federal income taxes may differ from the expected amount using statutory rates because certain expenses included in the determination of net income are non-deductible for tax reporting purposes.

**Property and Equipment**

Property and equipment is recorded at cost. Depreciation is computed on an accelerated basis over the estimated remaining useful lives of the assets of 5 to 7 years.

**Securities Transactions**

Securities transactions are recorded on the trade date. Marketable securities are reflected at market value.

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2004, the Company had net capital of approximately \$31,638 and net capital requirements of \$5,098. The Company's ratio of aggregate indebtedness to net capital was 2.42 to 1 at December 31, 2004. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 - Possession or Control Requirements

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(2)(ii) by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

INVESTIN SECURITIES CORP.  
Notes to Financial Statements  
December 31, 2004

Note 4 - Lease Commitments

The Company leases its computer system, equipment and office space under noncancelable leases expiring in 2004. Rent expense under these and other leases was approximately \$28,862 during fiscal 2004.

Note 5 - Commitments and Contingencies

Included in the Company's clearing agreement with its clearing broker-dealer, is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2004, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware, of any potential losses relating to this indemnification.

Note 6 - Income Taxes

The Company incurred a tax loss of approximately \$395,000 during 2001 and 2002 resulting in an income tax benefit of approximately \$138,000. The realization of this benefit is dependent on future earnings, if any, at the consolidated tax return level, the timing and amount of which is uncertain. Accordingly, management has established a valuation allowance equal to the amount of the income tax benefit.

Since 2002, the Company earned taxable income of approximately \$85,000 (\$9,000 in 2004) thus utilizing approximately \$29,750 (\$3,150 in 2004) of the valuation allowance leaving a remaining valuation allowance of \$108,250.

The net operating losses carryforward at the Parent consolidation level will expire in eighteen years.

Note 9 - Deposit with Clearing Broker-Dealer

Under the Company's clearing agreement with its clearing broker-dealer, the Company is required to maintain a deposit of \$28,487.

Supplemental Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2004

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## Schedule I

INVESTIN SECURITIES CORP.  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2004

### COMPUTATION OF NET CAPITAL

Total stockholders' equity qualified for net capital		\$ 61,216
Add:		
Other deductions or allowable credits		<u>-0-</u>
Total capital and allowable subordinated liabilities		61,216
Deductions and/or charges		
Non-allowable assets:		
Petty cash	\$ 104	
Prepaid expenses and deposits	15,573	
Property and equipment	8,004	
Other receivables	<u>1,167</u>	<u>(24,848)</u>
Net capital before haircuts on securities positions		36,368
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))		
Trading securities	3,388	
Undue concentration	<u>1,342</u>	<u>(4,730)</u>
Net capital		<u>\$ 31,638</u>

### AGGREGATE INDEBTEDNESS

Items included in statement of financial condition		
Accounts payable and accrued expenses		<u>\$ 76,475</u>
Total aggregate indebtedness		<u>\$ 76,475</u>

**Schedule I (continued)**

INVESTIN SECURITIES CORP.  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2004

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 5,098</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 5,098</u>
Net capital in excess of required minimum	<u>\$ 26,540</u>
Excess net capital at 1000%	<u>\$ 23,990</u>
Ratio: Aggregate indebtedness to net capital	<u>2.42 to 1</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

The following serves to reconcile material differences in the computation of net capital under Rule 15c3-1 from the Company's computation:

Net capital per Company's (unaudited) FOCUS Part IIA	\$ 29,436
Additional non-allowable assets	
Petty cash	(104)
Computation of undue concentration	<u>2,306</u>
Net capital per audited report	<u>\$ 31,638</u>

## **Schedule II**

### INVESTIN SECURITIES CORP.

#### Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission As of December 31, 2004

#### **EXEMPTIVE PROVISIONS**

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(ii), in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Company's clearing firm: Penson Financial Services, Inc.

Independent Auditor's Report

On Internal Control

Required By SEC Rule 17a-5

For the Year Ended  
December 31, 2004

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL REQUIRED BY SEC RULE 17a-5

The Board of Directors  
InvestIN Securities Corp.

In planning and performing our audit of the financial statements and supplemental schedules of InvestIN Securities Corp. (the "Company"), 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 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 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 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 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, 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 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 Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., 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.

*CF & Co., LLP*  
CF & Co., L.L.P.

Dallas, Texas  
February 18, 2005