

OATH OR AFFIRMATION

I, Stephen D. Highsmith Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Unified Distributors, 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:

Stephen D. Highsmith, Jr.
Signature
PRESIDENT & CEO
Title

Carol J. Highsmith
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).

J·D·CLOUD & CO·L·L·P·

HARRY D. BADANES, CPA, CFP®
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April 5, 2005

Dennis Stralka
 NASD
 55 West Monroe Street
 Suite 2700
 Chicago, IL 60603-5052

VIA FACSIMILE

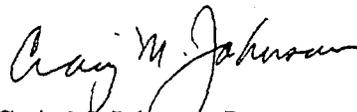
Re: Unified Distributors LLC December 31, 2004 Audited Financial Statements

Dear Mr. Stralka:

With respect to Schedule A of the subject, there were no material differences between the Company's Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission as computed on this schedule and the Company's computation included in Part II of Form X-17A-5 as of December 31, 2004; and therefore, a reconciliation has been omitted from Schedule A.

Sincerely,

J.D. Cloud & Co. L.L.P.

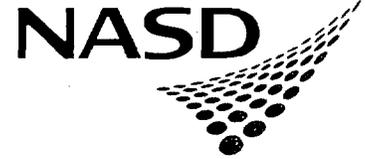

 Craig M. Johnson, Partner

C: Karyn Cunningham

MEMBERS:

- SEC PRACTICE AND PRIVATE COMPANIES PRACTICE SECTIONS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
- CPA ASSOCIATES INTERNATIONAL, INC. WITH ASSOCIATED OFFICES IN PRINCIPAL U.S. AND INTERNATIONAL CITIES
- OHIO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Sent Via Certified Mail (7160 3901 9848 4766 2373)



April 4, 2005

Unified Distributors, LLC
431 North Pennsylvania Street
Indianapolis, Indiana 46204

Dear Mr. Steve Highsmith:

This acknowledges receipt of your 2004 annual filing of audited financial statements made pursuant to U.S. Securities and Exchange Commission (SEC) Rule 17a-5(d)4. The report as submitted appears deficient in that it did not contain the following:

- A reconciliation, including appropriate explanations, of the audited Computation of Net Capital and the broker-dealer's corresponding Unaudited Part II or Part IIA, if material differences existed, or if no material differences existed, a statement so stating.

Based on the above, your filing does not comply with the requirements of the Rule. The text of the Rule is reproduced in the *NASD Manual* under the section titled *SEC Rules & Regulation T*. We urge you to review the Rule with your independent accountant.

Pursuant to the provisions of NASD Procedural Rule 8210, we request that you send one copy of each item(s) listed above to this office and to the appropriate SEC regional or district office, and two copies to the SEC Washington, D.C. office. Your submissions must include a new completed Form X-17A-5 Part III Facing Page, a copy of which is enclosed for your convenience. Failure to respond with this request may result in disciplinary action.

Please respond to this matter by **April 25, 2005**. If you have any questions, please contact Dennis Stralka, Compliance Specialist, at (312) 899-4386.

Sincerely,

A handwritten signature in black ink that reads "Yvonne Rzeszot". The signature is fluid and cursive.

Yvonne Rzeszot
Supervisor of Examiners

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Enclosure: Form X-17A-5 Part III Facing Page

cc: Lawrence Kendra
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Securities and Exchange Commission
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