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FINANCIAL

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

SEC FILE NUMBER
8-065500

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: M.J. Whitman LLC

OFFICIAL USE ONLY
FIRM ID. NO

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

622 Third Avenue

New York NY 10017
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Vincent Dugan (212) 888-2290

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

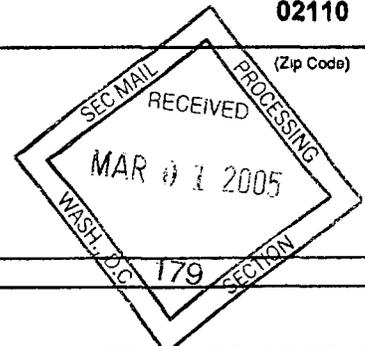
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCoopers LLP

125 High Street Boston MA 02110
(Address) (Name - of individual, state last, first, middle name) (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

*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).

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OATH OR AFFIRMATION

I, Vincent Dugan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of M.J. Whitman 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.

NONE

LINDA M. CARMICHAEL-FIELDS
 Notary Public, State of New York
 No. 41-489774
 Qualified in Queens County
 Commission Expires 12/31/2006
 2006

Vincent J. Dugan
 Signature
Chief Financial Officer
 Title

Linda M. Carmichael-Fields
 Notary Public

- This report** contains (check all applicable boxes):
- (a) Facing page
 - (b) Statement of Financial Condition
 - (c) Statement of Operations.
 - (d) Statement of Changes in Financial Condition.
 - (e) Statement of Changes in Member's Capital.
 - (f) Statement of Cash Flows
 - (g) Statement of Changes in Liabilities Subordinated to Claims or Creditors.
 - (h) Computation of Net Capital
 - (i) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
 - (j) Information Relating to the Possession or control Requirements Under Rule 15c3-3
 - (k) 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 or Rule 15c3-3.
 - (l) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
 - (m) An Oath or Affirmation
 - (n) A copy of the SIPC Supplemental Report.
 - (o) 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).

Report of Independent Auditors

To the Member of M.J. Whitman LLC

In our opinion, the accompanying consolidated statement of financial condition and the related consolidated statements of operations, changes in member's capital and cash flows present fairly, in all material respects, the financial position of M.J. Whitman LLC (the "Company") and its subsidiary at December 31, 2004, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in 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 of 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.

PricewaterhouseCoopers LLP

February 25, 2005

M.J. Whitman LLC
Notes to Consolidated Financial Statements
December 31, 2004

1. Organization and Description of Business

M.J. Whitman LLC (the "Company") is a wholly-owned subsidiary of Third Avenue Holdings Delaware LLC (the "Parent"). The Company, a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and the National Association of Securities Dealers, Inc. (the "NASD"), was organized as a Limited Liability Company under the laws of the State of Delaware on May 15, 2002 to assume the business of M.J. Whitman, Inc., a New York Corporation. Affiliated Managers Group, Inc. holds an indirect majority equity interest in the Company. The Parent also owns Third Avenue Management LLC, an investment adviser to the Third Avenue family of mutual funds, separately managed accounts, and other investment products.

The Company provides brokerage services to institutional and retail clients. The Company has a clearing agreement with Bear, Stearns Securities Corp. ("Bear, Stearns"). All of the Company's customer accounts are introduced on a fully-disclosed basis to, and carried by, Bear, Stearns. The Company maintains a "Special Account for the Exclusive Benefit of Customers" and is exempt from the Customer Protection Rule (SEC Rule 15c3-3) pursuant to provision (k)(2)(i) of such rule.

2. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements include the accounts of the Company and its wholly-owned subsidiary, Private Debt LLC, although the Company does not guarantee any liabilities or obligations of the subsidiary. All significant intercompany accounts have been eliminated. 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 included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2004, investments in money market mutual funds included in cash equivalents were \$4,439,459.

Revenue Recognition

Securities transactions and related revenues and expenses are recorded on a trade date basis. Securities owned and securities sold, but not yet purchased are classified as trading securities and are stated at quoted market values with realized and unrealized gains and losses reflected in the consolidated statement of operations using the specific identification method.

The Company receives fees for distributing shares of mutual funds, including shares of mutual funds which are affiliates of the Company. These fees, which are based on a percentage of the net assets of the mutual funds, are included as Trailer income on the accompanying consolidated statement of operations. Included in this amount is approximately \$692,000 from affiliated mutual funds.

M.J. Whitman LLC
Notes to Consolidated Financial Statements
December 31, 2004

Furniture, Equipment and Leasehold Improvements

Property and equipment are stated at cost and are being depreciated over their estimated useful lives, ranging from five to seven years, using the straight-line or accelerated methods. The difference between the accelerated method and the straight-line method is not material. Leasehold improvements, which are at cost, are amortized over the shorter of their estimated useful lives or the term of the leases. Costs of maintenance and repairs are charged to expense, while costs of significant renovations and betterments are capitalized.

Income Taxes

The Company, as a limited liability company, is not subject to Federal or New York State income taxes. The Parent, as the sole member of the LLC, is responsible for reporting the Company's income and expenses on its partnership tax returns. The Company is subject to New York City unincorporated business taxes, with its results being included in the New York City unincorporated business tax return filed by its Parent. The Company and its Parent file tax returns in other jurisdictions, some of which impose tax on limited liability companies.

3. Regulatory Requirements

The Company is subject to SEC Rule 15c3-1, which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit items, pursuant to SEC Rule 15c3-3. At December 31, 2004, the Company had net capital of \$2,983,415, which exceeded regulatory requirements by \$2,733,415.

Proprietary accounts held at the clearing broker ("PAIB Assets") are considered allowable assets in the computation of net capital pursuant to an agreement between the Company and the clearing broker which requires, among other things, for the clearing broker to perform a computation of PAIB Assets similar to the customer reserve computation set forth in Rule 15c3-3.

The Company operates under an exemptive provision of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company maintains a "Special Account for the Exclusive Benefit of Customers" pursuant to paragraph (K)(2)(i) of that rule, and the Company's activities are limited to those set forth in the conditions for exemptions appearing in paragraph (K)(2)(ii) of that rule, as all customer transactions are cleared through Bear, Stearns Securities Corp., another registered broker-dealer, on a fully disclosed basis.

4. Furniture Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2004 are summarized as follows:

Furniture and equipment	\$ 325,582
Leasehold improvements	203,502
Less: accumulated depreciation and amortization	<u>(229,874)</u>
Total	<u>\$ 299,210</u>

M.J. Whitman LLC
Notes to Consolidated Financial Statements
December 31, 2004

5. Commitments and Contingencies

The Company has various contractual commitments arising in the ordinary course of business. In the opinion of management, the consummation of such commitments will not have a material adverse effect on the financial position of the Company.

In the ordinary course of its business activities, the Company is subject to claims, legal proceedings and other contingencies. Any such potential matters are subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company establishes accruals for matters that are probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Company.

The Parent is obligated under non-cancelable lease agreements through August 2011, although the Company will share the expense with its affiliates. Minimum rental commitments of the Parent under these leases are as follows:

Year Ending December 31	Minimum Rental Commitments
2005	\$ 999,592
2006	1,110,893
2007	1,219,747
2008	1,233,267
2009	1,246,787
2010 and thereafter	2,098,633

6. Off-Balance Sheet Risk and Concentrations of Credit Risk

In the normal course of business, the Company, on behalf of clients, enters into various debt and equity transactions in the securities markets. The execution of these transactions may result in off-balance sheet risk or concentration of credit risk. The Company records securities transactions on a trade date basis, and therefore, is exposed to credit risk in the event that counter parties are unable to fulfill contractual agreements.

Pursuant to its current clearing agreement with Bear, Stearns, the Company is liable for amounts uncollected from customers introduced by the Company. As Bear, Stearns' right to charge the Company has no maximum amount, and applies to all trades executed through the clearing broker, the Company believes there is no maximum amount assignable to this right and is currently not aware of any probable losses under such arrangements. The Company may also be exposed to a risk of loss not reflected on the accompanying consolidated statement of financial condition for securities sold, but not yet purchased, should the value of such securities increase.

M.J. Whitman LLC
Notes to Consolidated Financial Statements
December 31, 2004

7. Related Party Transactions

The Company shares personnel, office space and facilities with related companies and, accordingly, certain expenses have been allocated among the entities. The amount of shared expenses allocated to the Company during the year ended December 31, 2004 was approximately \$2,300,000. Subsequent to monthly reconciliations and closings, balances due to and due from affiliates are reimbursed. If such balances are not reimbursed, interest is charged to the appropriate entity at the stated month end broker call rate. Additionally, the Company receives commissions from affiliated mutual funds. During the year ended December 31, 2004, the commissions earned from such funds were \$2,665,343, which are included in Commissions and gross credits on the accompanying consolidated statement of operations.

M.J. Whitman LLC**Consolidated Statement of Financial Condition
December 31, 2004**

Assets	
Cash and cash equivalents	\$ 4,904,024
Receivable from clearing broker	1,611,526
Furniture, equipment and leasehold improvements, (net of accumulated depreciation and amortization of \$229,874)	299,210
Receivable from affiliates	19,693
Taxes prepaid to Parent	180,358
Other assets	142,146
Total assets	<u>\$ 7,156,957</u>
Liabilities and Member's Capital	
Securities sold, but not yet purchased	\$ 11,067
Payable to affiliates	85,745
Taxes payable to Parent	253,307
Accrued expenses	3,092,674
Total liabilities	<u>3,442,793</u>
Commitments and contingencies	-
Member's capital	<u>3,714,164</u>
Total liabilities and member's capital	<u>\$ 7,156,957</u>

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