



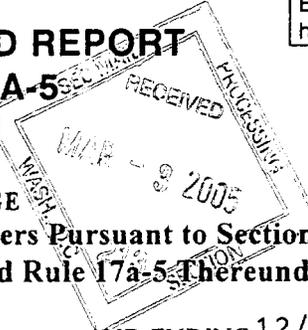
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UNITED STATES EXCHANGE COMMISSION
Washington, D.C. 20549

BB 3/24

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden hours per response... 12.00

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



SEC FILE NUMBER
8- 48904

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: W.E.Nightingale Brokerage Services, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
4957 Lakemont Blvd Ste C-4
Bellevue (No. and Street) WA 98101
(City) (State) (Zip Code)

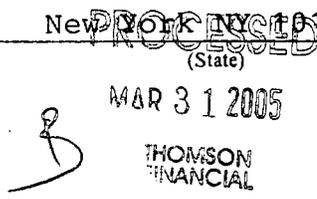
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FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Thomas F Flynn 732-842-9450
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
O'Connor Davies Munns & Dobbins LLP
(Name - if individual, state last, first, middle name)
60 East 42nd St. New York NY 10165
(Address) (City) (State) (Zip Code)

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



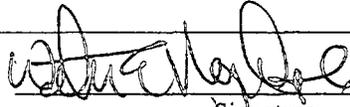
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

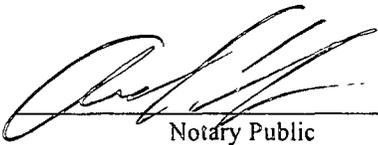
I, Walter E. Nightingale, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of W.E.Nightingale Brokerage Services Inc., as of December 31, 2004, are true and correct. I further swear (or affirm) that neither 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:

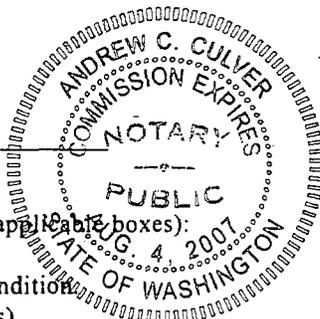
None


Signature

President

Title

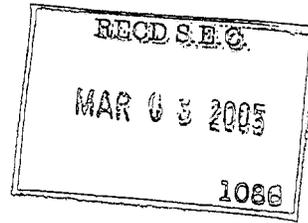

Notary Public



This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition. ~~XXXXXXXXXXXXXXXXXXXX~~ Cash Flows
- (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).



W. E. NIGHTINGALE BROKERAGE
SERVICES, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2003 AND 2002



INDEPENDENT AUDITORS' REPORT

Board of Directors
W. E. Nightingale Brokerage Services, Inc.

We have audited the accompanying statements of financial condition of W. E. Nightingale Brokerage Services, Inc. as of December 31, 2004 and 2003 and the related statements of income, changes in stockholders' equity and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 W. E. Nightingale Brokerage Services, Inc. as of December 31, 2004 and 2003, and the results of its operations, changes in stockholder's equity, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in supplementary schedules I, II and III 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 and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination 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, and in conformity with the rules of the Securities and Exchange Commission.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

February 19, 2005
New York, NY

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

STATEMENTS OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 13,789	\$ 25,738
Receivable - clearing broker	1,110	12,551
Advance to shareholder	<u>88,734</u>	<u>64,573</u>
Total assets	<u>\$103,633</u>	<u>\$102,862</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Accounts payable	<u>\$ 4,500</u>	<u>\$ 7,570</u>
	<u>\$ 4,500</u>	<u>\$ 7,570</u>
Stockholder's equity:		
Capital stock, (\$1 par value, 1,000 shares authorized, 1,000 shares issued and outstanding)	\$ 1,000	\$ 1,000
Additional paid-in-capital	7,200	7,200
Retained earnings	<u>90,933</u>	<u>87,092</u>
Total stockholder's equity	<u>\$ 99,133</u>	<u>\$ 95,292</u>
Total liabilities and stockholder's equity	<u>\$103,633</u>	<u>\$102,862</u>

See the accompanying notes to financial statements.

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Revenues:		
Commission income	\$64,688	\$308,509
Other income	<u>164</u>	<u>495</u>
Total revenues	<u>\$64,852</u>	<u>\$309,004</u>
Expenses:		
Compensation and employment costs	\$20,397	\$181,390
Clearance fees	9,255	29,706
Office	16,848	23,373
Communications	2,660	5,719
Regulatory fees	1,807	1,141
Professional fees	9,437	7,600
Insurance	<u>607</u>	<u>2,827</u>
Total expenses	<u>\$61,011</u>	<u>\$251,756</u>
Net income	<u>\$ 3,841</u>	<u>\$ 57,248</u>

See the accompanying notes to financial statements.

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>Capital Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, January 1, 2003	\$1,000	\$7,200	\$82,473	\$90,673
Shareholder distributions	-	-	(52,629)	(52,629)
Net income - 2003	<u>-</u>	<u>-</u>	<u>57,248</u>	<u>57,248</u>
Balance, December 31, 2003	\$1,000	\$7,200	\$87,092	\$95,292
Net income - 2004	<u>-</u>	<u>-</u>	<u>3,841</u>	<u>3,841</u>
Balance, December 31, 2004	<u>\$1,000</u>	<u>\$7,200</u>	<u>\$90,933</u>	<u>\$99,133</u>

See the accompanying notes to financial statements.

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>Cash Flows From Operating Activities</u>		
Net income	\$ 3,841	\$57,248
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Decrease) in accounts payable	(3,070)	(18,648)
Decrease (increase) in accounts receivable	11,441	54,277
(Increase) in advances to shareholder	(24,161)	(37,980)
Net cash provided by (used in) operating activities	(<u>\$11,949</u>)	<u>\$54,897</u>
<u>Cash Flows From Financing Activities</u>		
Shareholder distributions	_____ -	(<u>\$52,629</u>)
Net cash used in financing activities	_____ -	(<u>\$52,629</u>)
(Decrease) increase in cash	(<u>\$11,949</u>)	\$ 2,268
Cash and cash equivalents, beginning of year	<u>25,738</u>	<u>23,470</u>
Cash and cash equivalents, end of year	<u>\$13,789</u>	<u>\$25,738</u>

See the accompanying notes to financial statements.

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Description of Business

The company is an introducing broker and has a standard agreement with its clearing broker, all securities are introduced and cleared on a fully disclosed basis through the clearing broker.

Securities Transactions

Securities transactions are recorded on a trade date basis, generally the third business day following the transaction date.

Income Taxes

The company has elected S corporation status for federal income tax purposes, whereby the corporate income or loss is reported on the personal return of the shareholder. Provision has been made for corporate taxes imposed by other taxing jurisdictions.

Cash Equivalents

For purposes of the statement of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

W.E. Nightingale's financial instruments that are potentially exposed to concentrations of credit risk consists primarily of cash, securities and accounts receivable. The company places its cash and securities with quality financial institutions. The company's accounts receivable consists of an amount due from their clearing broker. As a consequence, concentration of credit risk is limited.

W.E. NIGHTINGALE BROKERAGE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

Note 2. 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. As of December 31, 2004, the company had net capital of \$10,399 which was \$5,399 in excess of its required net capital. The company's net capital ratio was .43 to 1.

SUPPLEMENTARY INFORMATION
PURSUANT TO RULE 17a-5 OF THE
SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2004

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.SCHEDULE OF COMPUTATION OF NET CAPITAL UNDER
SECURITIES AND EXCHANGE COMMISSION RULE 15c3-1AS OF DECEMBER 31, 2004Net Capital

Total capital	\$99,133
Deductions and/or charges:	
Non-allowable assets:	
Shareholder advance	<u>88,734</u>
Net capital	<u>\$10,399</u>

Computation of Basic Net Capital Requirement

Minimum net capital required (6-2/3% of aggregate indebtedness)	\$ 399
Minimum dollar net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$ 5,399</u>

Computation of Aggregate Indebtedness

Total Aggregate Indebtedness liabilities	<u>\$ 4,500</u>
Percent of aggregate indebtedness to net capital	<u>43 %</u>

Reconciliation of Computation of Net Capital
Under Securities and Exchange Rule 15c3-1

There are no material differences between the computation presented above and the firms X-17a(5) Part II(A) filing.

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

SCHEDULE OF COMPUTATION OF RESERVE REQUIREMENTS
UNDER EXHIBIT A OF SECURITIES AND EXCHANGE COMMISSION RULE 15c3-3

AS OF DECEMBER 31, 2004

The firm is engaged in a general securities business and carried no customer accounts on its books. All customer transactions are cleared through another stock brokerage firm on a fully disclosed basis.

W. E. NIGHTINGALE BROKERAGE SERVICES, INC.

SCHEDULE RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS
UNDER SECURITIES AND EXCHANGE COMMISSION RULE 15c3-3

AS OF DECEMBER 31, 2004

The firm is engaged in a general securities business and carried no customer accounts on its books. All customer transactions are cleared through another stock brokerage firm on a fully disclosed basis and the firm does not have possession of customer securities.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
REQUIRED BY SEC RULE 17a-5

The Board of Directors
W.E. Nightingale Brokerage Services, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of W.E. Nightingale Brokerage Services, Inc. (the "Company"), for the year ended December 31, 2004, we considered its internal control structure, including control activities 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 (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 an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements 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 structure or the practices and procedures referred to above, errors 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 errors 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 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.

Our opinion recognizes that it is not practicable in a company the size of W.E. Nightingale Brokerage Services, Inc. to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control, and alternatively, greater reliance must be placed on surveillance by management. This report is intended solely for the use of 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.



O'Connor Davies Munns & Dobbins, LLP

February 19, 2005
New York, NY