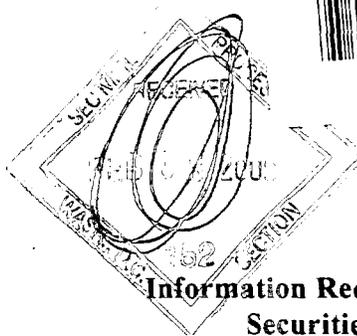




STATES
CHANGE COMMISSION
, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: January 31, 2007
Estimated average burden
hours per response..... 12.00



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

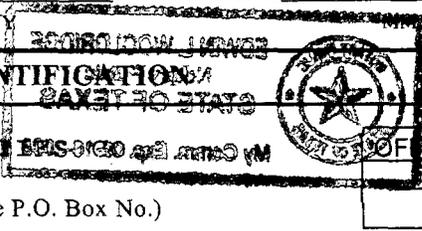
SEC FILE NUMBER
8- 18148

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: SOUTH TEXAS SECURITIES
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
13027 TAYLORCREST, P O BOX 79626
(No. and Street)
HOUSTON TX 77279
(City) (State) (Zip Code)



NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
F. E. HARTUNG 713-464-7076
(Area Code - Telephone Number)

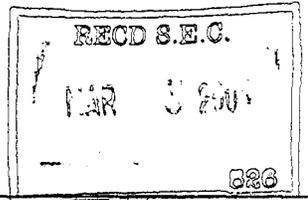
B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
EXEMPTION BASED ON SECTION 240.17a5(e)(1)(i)(B)
(Name - if individual, state last, first, middle name)

(Address) (City) (State) (Zip Code)

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

PROCESSED
APR 04 2005
THOMSON
FINANCIAL



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)

TH
3/24

DECEMBER 31, 2004 STATEMENT OF FINANCIAL CONDITION
SOUTH TEXAS SECURITIES CO. (A PARTNERSHIP)

ASSETS:

| | |
|--------------|-------------------|
| Cash | \$ 2,664 |
| Securities | <u>4,630</u> |
| Total Assets | \$ 7,294 ===== |

| | |
|-------------------|--------------|
| PARTNERS' CAPITAL | <u>7,294</u> |
|-------------------|--------------|

| | |
|--|-------------------|
| TOTAL LIABILITIES AND PARTNERS' CAPITAL | \$ 7,294 ===== |
|--|-------------------|

Note 1: Accounting Policies. Security Transactions are recorded on settlement dates. Securities are valued at market. No provision has been made for federal income taxes, as each partner is responsible individually for applicable taxes.

Note 2: The Company's net capital and net capital requirement under SEC Rule 15c3-1 were \$6,600 and \$5,000 respectively.

A copy of the Statement of Financial Condition of the most recent annual examination report of South Texas Securities Co. pursuant to S.E.C. Rule 17a-5 is available for examination at the office of the Company and at the regional office of the S.E.C., Fort Worth, Texas.

ASSETS

Consolidated [0198] Unconsolidated [0199]

Allowable

Non-Allowable

Total

| | | | |
|--|-----------------|--------|-----------------|
| 1. Cash | 2,664 [0200] | | 2,664 [0750] |
| 2. Receivables from brokers or dealers: | | | |
| A. Clearance account | [0295] | | |
| B. Other | [0300] | [0550] | 0 [0810] |
| 3. Receivables from non-customers | [0355] | [0600] | 0 [0830] |
| 4. Securities and spot commodities owned, at market value: | | | |
| A. Exempted securities | [0418] | | |
| B. Debt securities | [0419] | | |
| C. Options | [0420] | | |
| D. Other securities | [0424] | | |
| E. Spot commodities | [0430] | | 0 [0850] |
| 5. Securities and/or other investments not readily marketable: | | | |
| A. At cost | [0130] | | |
| B. At estimated fair value | [0440] | [0610] | 0 [0860] |
| 6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value: | 4,630 [0460] | [0630] | 4,630 [0880] |

| | | | | |
|---|--------|--------|--------|--------|
| | _____ | | | _____ |
| | [0150] | | | |
| B. Other securities | | | | |
| | _____ | | | _____ |
| | [0160] | | | |
| 7. Secured demand notes market value of collateral: | _____ | _____ | _____ | _____ |
| | [0470] | [0640] | | [0890] |
| A. Exempted securities | | | | |
| | _____ | | | _____ |
| | [0170] | | | |
| B. Other securities | | | | |
| | _____ | | | _____ |
| | [0180] | | | |
| 8. Memberships in exchanges: | | | | |
| A. Owned, at market | | | | |
| | _____ | | | _____ |
| | [0190] | | | |
| B. Owned, at cost | | _____ | | _____ |
| | | [0650] | | |
| C. Contributed for use of the company, at market value | | _____ | _____ | _____ |
| | | [0660] | | [0900] |
| 9. Investment in and receivables from affiliates, subsidiaries and associated partnerships | _____ | _____ | _____ | _____ |
| | [0480] | [0670] | | [0910] |
| 10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization | _____ | _____ | _____ | _____ |
| | [0490] | [0680] | | [0920] |
| 11. Other assets | _____ | _____ | _____ | _____ |
| | [0535] | [0735] | | [0930] |
| 12. TOTAL ASSETS | 7,294 | 0 | 7,294 | 0 |
| | [0540] | [0740] | [0940] | [0940] |

| Liabilities | A.I. Liabilities | Non-A.I. Liabilities | Total |
|--|------------------|----------------------|-------------|
| 13. Bank loans payable | [1045] | [1255] | 0 [1470] |
| 14. Payable to brokers or dealers: | | | |
| A. Clearance account | [1114] | [1315] | 0 [1560] |
| B. Other | [1115] | [1305] | 0 [1540] |
| 15. Payable to non-customers | [1155] | [1355] | 0 [1610] |
| 16. Securities sold not yet purchased, at market value | | [1360] | 0 [1620] |
| 17. Accounts payable, accrued liabilities, expenses and other | [1205] | [1385] | 0 [1685] |
| 18. Notes and mortgages payable: | | | |
| A. Unsecured | [1210] | | 0 [1690] |
| B. Secured | [1211] | [1390] | 0 [1700] |
| 19. Liabilities subordinated to claims of general creditors: | | | |
| A. Cash borrowings: | | | |
| 1. from outsiders | [0970] | | 0 [1710] |
| 2. Includes equity subordination (15c3-1(d)) of | [0980] | | |
| B. Securities borrowings, at market value: | | [1410] | 0 [1720] |

[0990]

C. Pursuant to secured demand note collateral agreements:

[1420]

0
[1730]

1. from outsiders

[1000]

2. includes equity subordination (15c3-1(d)) of

[1010]

D. Exchange memberships contributed for use of company, at market value

[1430]

0
[1740]

E. Accounts and other borrowings not qualified for net capital purposes

[1220]

[1440]

0
[1750]

20. TOTAL LIABILITIES

0
[1230]

0
[1450]

0
[1760]

Ownership Equity

Total

21. Sole proprietorship

[1770]

22. Partnership (limited partners [1020])

7,294
[1780]

23. Corporations:

A. Preferred stock

[1791]

B. Common stock

[1792]

C. Additional paid-in capital

[1793]

[1794]

E. Total

0

[1795]

F. Less capital stock in treasury

[1796]

24.

TOTAL OWNERSHIP EQUITY

7,294

[1800]

25.

TOTAL LIABILITIES AND OWNERSHIP EQUITY

7,294

[1810]