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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AM 4-5-2005
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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8- 53108
RECEIVED
MAR 29 2005
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SECTION

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: Martinez-Ayme Financial Group, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

10300 S.W. 72nd Street, Suite 380
(No. and Street)

Miami
(City)

Florida
(State)

33173
(Zip Code)

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

Fred Ayme

(305) 271-3232
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Roth, Jonas, Mittelberg, Levy & Hartney, CPA's, P.A.
(Name - if individual, state last, first, middle name)

8370 West Flagler Street, Suite 125, Miami
(Address)

Florida
(State)

33144
(Zip Code)

CHECK ONE:

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

PROCESSED
APR 11 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)

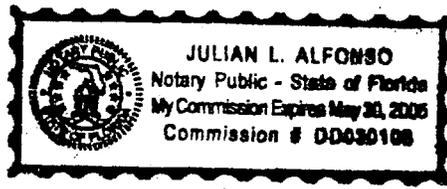
Handwritten initials/signature

OATH OR AFFIRMATION

I, Reynaldo Martinez, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Martinez-Ayme Financial Group, 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:

[Signature]
Signature
President
Title

[Signature]
Notary Public



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

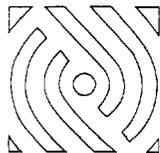
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims 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).

MARTINEZ-AYME FINANCIAL GROUP, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2004



ROTH, JONAS, MITTELBERG,
LEVY & HARTNEY, CPA's, P.A.

ROBERT ROTH, CPA

PETER F. JONAS, CPA

RICKEY I. MITTELBERG, CPA

ERIC LEVY, CPA

JOHN C. HARTNEY, CPA

February 16, 2005

ROBERT N. PERLESS, CPA
RETIRED

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Martinez-Ayme Financial Group, Inc.

We have audited the accompanying statement of financial condition of Martinez-Ayme Financial Group, Inc. as of December 31, 2004, and the related statements of operations, stockholders' equity, 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 United States generally accepted auditing standards. 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 Martinez-Ayme Financial Group, Inc. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended, in conformity with United States generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules 1, 2 and 3 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 subject 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.

Roth, Jonas, Mittelberg, Levy & Hartney, CPA's, P.A.

ROTH, JONAS, MITTELBERG, LEVY & HARTNEY, CPA's, P.A.

LIABILITIES AND STOCKHOLDERS' EQUITY
CURRENT LIABILITIES

Liabilities Subordinated to Claims of General Creditors	\$ 220,958	
Accounts Payable -		
Due to Correspondent Broker	62,512	
Others	6,868	
Accrued Salaries, Commissions, and Other Expenses	<u>45,974</u>	
Total Current Liabilities		\$ 336,312

COMMITMENTS AND CONTINGENCIESSTOCKHOLDERS' EQUITY

Preferred Stock - \$1,000 Par Value; Authorized - 200 Shares; Issued - 1 Share	\$ 1,000	
Common Stock - \$1 Par Value; Authorized - 1,000 Shares; Issued - 800 Shares	800	
Additional Paid-In Capital	242,476	
Retained Earnings (Deficit)	<u>(187,871)</u>	
Total Stockholders' Equity		<u>56,405</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 392,717</u>

Subject to Comments in Attached Letter and Notes to Financial Statements.

MARTINEZ-AYME FINANCIAL GROUP, INC.STATEMENT OF OPERATIONSFOR THE YEAR ENDED DECEMBER 31, 2004

<u>REVENUES</u>		\$ 988,664
<u>OPERATING EXPENSES</u>		
Salaries, Commissions, and Related Costs	\$ 593,864	
Clearance, Quotation, and Communication Costs	187,229	
Occupancy and Other Rentals	33,815	
Taxes, Other than Income Taxes	792	
Other Operating Expenses	<u>78,489</u>	
Total Operating Expenses		<u>894,189</u>
<u>PROFIT FROM OPERATIONS</u>		\$ 94,475
<u>INTEREST EXPENSE</u>		<u>22,722</u>
<u>PROFIT BEFORE INCOME TAXES</u>		\$ 71,753
<u>FEDERAL AND STATE INCOME TAX (PROVISION)</u>		<u>(15,700)</u>
<u>NET PROFIT BEFORE BENEFIT OF INCOME TAX LOSS CARRYFORWARDS</u>		\$ 56,053
<u>FEDERAL AND STATE INCOME TAX BENEFIT ARISING FROM TAX LOSS CARRYFORWARDS</u>		<u>15,700</u>
<u>NET PROFIT</u>		<u>\$ 71,753</u>

Subject to Comments in Attached Letter and Notes to Financial Statements.

MARTINEZ-AYME FINANCIAL GROUP, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>		
Balance - January 1, 2004	1	\$ 1,000	800	\$ 800	\$ 242,476	\$ (259,624)
Net Profit for the Period	-	-	-	-	-	71,753
Balance - December 31, 2004	<u>1</u>	<u>\$ 1,000</u>	<u>800</u>	<u>\$ 800</u>	<u>\$ 242,476</u>	<u>\$ (187,871)</u>

Subject to Comments in Attached Letter and Notes to Financial Statements.

MARTINEZ-AYME FINANCIAL GROUP, INC.STATEMENT OF CASH FLOWSFOR THE YEAR ENDED DECEMBER 31, 2004OPERATING ACTIVITIES

Net Profit	\$ 71,753
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:	
Depreciation	4,200
Decrease in Unrealized Gain on Trading and Investment Securities	12,326
Changes in Operating Assets and Liabilities:	
(Increase) in Accounts Receivable	(3,164)
Decrease in Trading and Investment Securities Owned at Cost	5,937
(Increase) in Prepaid Expenses and Other Assets	(1,195)
(Decrease) in Due to Correspondent Broker	(28,657)
(Decrease) in Accounts Payable and Accrued Expenses	(15,772)

NET CASH PROVIDED BY OPERATING ACTIVITIES\$ 45,428INCREASE IN CASH

\$ 45,428

CASH AT BEGINNING OF YEAR4,538CASH AT END OF YEAR\$ 49,966SUPPLEMENTAL CASH FLOW DISCLOSURES

Interest Paid	\$ <u>26,170</u>
Income Taxes Paid	\$ <u>-</u>

Subject to Comments in Attached Letter and Notes to Financial Statements.

MARTINEZ-AYME FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of the financial statements. The policies are based on United States generally accepted accounting principles.

Organization and Business - The Company was incorporated under the laws of the State of Florida on December 14, 1999, for the purpose of selling investment products and securities and other services related to investment advisement, money management, or other business services.

Customers, Broker-Dealers, Trading Inventory and Investment Balances - The Company is a registered broker-dealer and maintains its accounts on a settlement date basis; however, the accompanying financial statements are prepared on a trade date basis. The Company is an introducing broker, and as such, clears all transactions through a correspondent broker which carries all customer and company accounts and maintains physical custody of customer and company securities.

All trading and investment securities are valued at quoted market price and unrealized gains and losses are included in revenues from firm trading.

Property, Equipment, and Related Depreciation - Depreciation of property and equipment is provided by the straight-line method of depreciation at a rate calculated to amortize the cost of the assets over their estimated useful lives. The lives used in computing depreciation is as follows:

	<u>Years</u>
Furniture and Equipment	5

The costs of maintenance and repairs of property and equipment are charged to expense as incurred. Costs of renewals and betterments are capitalized in the property accounts. When properties are replaced, retired, or otherwise disposed of, the cost of such properties and accumulated depreciation are deducted from the asset and depreciation reserve accounts. The related profit or loss, if any, is recorded in income.

MARTINEZ-AYME FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - For income tax purposes, the Company maintains its accounts using the accrual method of accounting. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Use of Estimates - The financial statements have been prepared in conformity with United States generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

NOTE 2 - NET CAPITAL RULE

As a broker-dealer registered with the Securities and Exchange Commission, the Company must comply with the provisions of the Commission's "Net Capital" rules, which provide that "aggregate indebtedness", as defined, shall not exceed 15 times "Net Capital", as defined, and the "Net Capital", shall not be less than \$100,000. At December 31, 2004, the Company's "Net Capital" was more than one hundred twenty percent (120%) of its minimum requirement.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

The Company entered into an amended lease agreement commencing April 1, 2004 for its office space in Miami, Florida. This amended lease expires on March 31, 2005. Monthly payments under this lease are \$2,840, including applicable sales tax.

Minimum rentals under this lease are as follows:

Year Ended December 31

2005

\$ 8,520

Certain quotation equipment is being provided by agreements which can be terminated by either party with 60 days notice.

MARTINEZ-AYME FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 4 - REVENUES

A breakdown of the Revenues earned for the year ended December 31, 2004 is as follows:

Commissions and Fees	\$ 476,787
Firm Trading	510,481
Other	<u>1,396</u>
	<u>\$ 988,664</u>

NOTE 5 - ACCOUNTS RECEIVABLE

A breakdown of the Net Accounts Receivable as of December 31, 2004 is as follows:

Due from Correspondent Broker	\$ 231,747
Due from Others	<u>-</u>
	<u>\$ 231,747</u>

The amount Due From Correspondent Broker includes funds in an escrow account in the amount of \$148,621 which is used to support the trading and underwriting activities of the Company.

NOTE 6 - LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

On April 2, 2001, the Company borrowed \$150,000 under an approved subordinated loan agreement. This subordinated loan bears interest at ten (10) percent per annum. On September 30, 2002, the Company received approval to amend the subordinated loan agreement to include \$ 20,958 of accrued interest. This subordinated loan totaling \$ 170,958 is due on September 30, 2005.

On November 1, 2002, the Company borrowed \$ 50,000 from one of its officers and stockholders under an approved subordinated loan agreement. This subordinated loan bears interest at ten (10) percent per annum and is due on November 1, 2005.

MARTINEZ-AYME FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

NOTE 7 - INCOME TAXES

The Company files Federal and Florida corporate income tax returns. The Company's effective rate differs from the statutory Federal rate primarily as a result of the valuation allowance described below and State income taxes.

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes and net operating losses available to offset future taxable income.

Deferred tax assets:	
Net operating losses	\$ 7,200
Timing differences	<u>-</u>
	\$ 7,200
Less: Valuation allowance	<u>(7,200)</u>
	<u>\$ -</u>

At December 31, 2004, the Company recorded a full valuation allowance for the deferred tax assets as the Company's ability to realize these benefits is not "more likely than not". Accordingly, no deferred tax assets are reported in the accompanying statement of financial position at December 31, 2004. The Company has available at December 31, 2004, approximately \$ 20,000 of unused operating loss carryforwards that may be applied against future taxable income and will expire in years through 2023.

MARTINEZ-AYME FINANCIAL GROUP, INC.COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2004

NET CAPITAL

Total Stockholders' Equity		\$	56,405
Add: Liabilities Subordinated to Claims of General Creditors, including Accrued Interest of \$9,973			220,958
Less: Preferred Stock Treated as a Liability for Purposes of the Net-Capital Computation			<u>(1,000)</u>
Total Capital and Allowable Subordinated Loans		\$	276,363
Less: Non-Allowable Assets and Other Deductions:			
1. Net Property and Equipment	\$	3,903	
2. Prepaid Expenses and Other Assets		5,580	
3. Lease Security Deposit		<u>5,780</u>	<u>15,263</u>
Net Capital Before Haircuts on Security Positions			261,100
Haircuts on Securities, Computed, where Applicable, Pursuant to 15c3-1(f), including Blockage:			
1. Trading and Investment Securities:			
a. Exempted Securities	\$	-	
b. Debt Securities		-	
c. Other Securities		14,458	
d. Undue Concentration		<u>7,002</u>	<u>21,460</u>
Net Capital			<u>\$ 239,640</u>

NOTE - There is no difference in the computation of adjusted net capital between the unaudited broker-dealer focus report and the audited annual report at December 31, 2004.

MARTINEZ-AYME FINANCIAL GROUP, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2004

AGGREGATE INDEBTEDNESS

Items Included in Statement of Financial Condition:

Accounts Payable	\$ 69,380	
Accrued Salaries, Commissions, and Other Expenses	45,974	
Preferred Stock Treated as a Liability	<u>1,000</u>	
Total Aggregate Indebtedness		<u>\$ 116,354</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum Net Capital Required (6 2/3 Percent of Total Aggregate Indebtedness)		<u>\$ 7,756</u>
Minimum Net Capital Requirement		<u>\$ 100,000</u>
Excess Net Capital (Net Capital Less Net Capital Required)		<u>\$ 139,640</u>
Excess Net Capital at 1,000 Percent		<u>\$ 228,004</u>
Percentage of Aggregate Indebtedness to Net Capital		<u>49%</u>

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Non-Applicable

MARTINEZ-AYME FINANCIAL GROUP, INC.
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2004

Balance, Beginning of Year	\$ 220,958
Additions	-
Decreases	<u>-</u>
Balance, End of Year	<u>\$ 220,958</u>

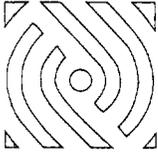
MARTINEZ-AYME FINANCIAL GROUP, INC.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS

UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2004

The Company claims an exemption from Rule 15c3-3 under Section (k) (2) (ii) in that all customer transactions clear through another broker-dealer on a fully disclosed basis. The clearing firm is Emmett A. Larkin Company, Inc.



ROTH, JONAS, MITTELBERG,
LEVY & HARTNEY, CPA's, P.A.

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PETER F. JONAS, CPA

RICKEY I. MITTELBERG, CPA

ERIC LEVY, CPA

JOHN C. HARTNEY, CPA

Independent Auditor's Report on Internal
Accounting Control Required by SEC Rule 17a-5

ROBERT N. PERLESS, CPA
RETIRED

Board of Directors
Martinez-Ayme Financial Group, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Martinez-Ayme Financial Group, Inc. (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 and 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 a system of internal accounting control 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 control 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 United States 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 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 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 weakness 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 use of the Board of Directors, management, the SEC, the New York Stock Exchange, Inc., or other designated regulatory organizations 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 specific parties.

Roth, Jonas, Mittelberg, Levy & Hartney, CPA's, PA.

ROTH, JONAS, MITTELBERG, LEVY & HARTNEY, CPA's, P.A.

Miami, Florida

February 16, 2005