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SECUR _____ MISSION
Washington, D.C. 20549

AM 4-25-2005

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| OMB APPROVAL | |
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**ANNUAL AUDITED REPORT
FORM X-17A-5 (A)
PART III**

| |
|-----------------|
| SEC FILE NUMBER |
| 8- 12400 |

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: Industry Savings Plans, Inc.

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

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

5990 Greenwood Plaza Boulevard, Suite 325

(No. and Street)

Greenwood Village, Colorado 80111

(City)

(State)

(Zip Code)

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

Joanne E. Ashton

(303) 220-8500

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Hein + Associates LLP

(Name - if individual, state last, first, middle name)

717 17th Street, #1600, Denver, Colorado 80202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

3 PROCESSED
APR 29 2005

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|------------------------------|
| FOR OFFICIAL USE ONLY |
| THOMSON FINANCIAL |

*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)

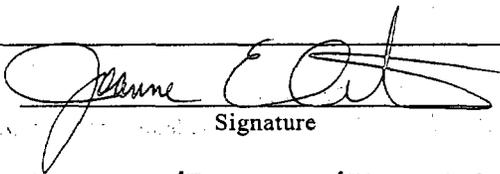
SEC 1410 (06-02)

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4-25-2005

OATH OR AFFIRMATION

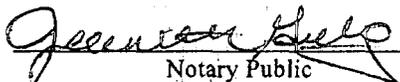
I, Joanne E. Ashton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Industry Savings Plans, Inc., as of December 31, 20 04, are true and correct. I further swear (or affirm) that neither the company 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

Secretary/Treasurer/Financial Principal

Title

JEANETTE GUTIERREZ
NOTARY PUBLIC
STATE OF COLORADO


Notary Public

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

My Commission Expires 05/13/2006

- (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).

SCHEDULE I

INDUSTRY SAVINGS PLANS, INC.

(A Wholly-owned Subsidiary of Preferred Financial Corporation)

**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2004**

COMPUTATION OF NET CAPITAL:

| | |
|--|-------------------|
| Total stockholder's equity (from statement of financial condition) | <u>\$ 201,724</u> |
| Total stockholder's equity qualified for net capital | \$ 201,724 |
| Deductions: | |
| Nonallowable assets: | |
| Other receivables | 2,348 |
| Common stock (NASDAQ stock) | 3,060 |
| Haircuts on securities - money market funds | <u>10,881</u> |
| | <u>16,289</u> |
| Net capital | <u>\$ 185,435</u> |

COMPUTATION OF AGGREGATE INDEBTEDNESS -

| | |
|---|------------------|
| Total aggregate indebtedness | <u>\$ 27,102</u> |
| Percentage of aggregate indebtedness to net capital | <u>14.6%</u> |

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS:

| | |
|---|-------------------|
| Minimum net capital required (6-2/3% of aggregate indebtedness) | <u>\$ 1,807</u> |
| Minimum dollar net capital requirement | <u>\$ 25,000</u> |
| Net capital requirement (greater of above amounts) | <u>\$ 25,000</u> |
| Excess net capital | <u>\$ 160,435</u> |

The computation of net capital included in the Company's Form X-17A-5 (Focus Report, Part II) as of December 31, 2004 does not differ materially from the above presentation.