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

**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 01/01/2004 AND ENDING 12/31/2004  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

GP DIRECT CORP.

OFFICIAL USE ONLY  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
C/O GETTENBERG CONSULTING, 65 BROADWAY, SUITE 1004

(No. and Street)

NEW YORK, N.Y.

10006

(City)

(State)

(Zip Code)

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

KEVIN GLAZIER

212-514-8414

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

GLASSER & HAIMS, CPA, P.C.

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

99 WEST HAWTHORNE AVENUE

VALLEY STREAM, N.Y.

11580

(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).

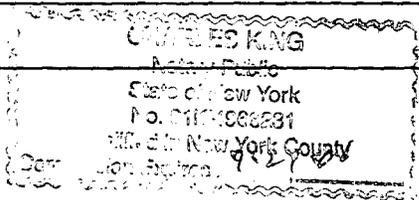
3/29/05

# OATH OR AFFIRMATION

I, KEVIN GLAZIER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GP DIRECT CORP., 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:

-NO EXCEPTIONS



NY  
NY

Kevin Glazier  
Signature

PRESIDENT

Title

Charles King  
Notary Public

ON THIS 4<sup>TH</sup> DAY OF MAY, 2005

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 Proprietor's 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 15c3-1 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).

GLASSER & HAIMS, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
99 WEST HAWTHORNE AVENUE  
VALLEY STREAM, NY 11580

-----  
(516) 568-2700 - FAX (516) 568-2911

ALVIN M. GLASSER, C.P.A.  
IRWIN M. HAIMS, C.P.A.

INDEPENDENT AUDITOR'S SUPPLEMENTARY  
REPORT ON INTERNAL CONTROL

To the Board of Directors and Shareholder of  
GP Direct Corp.

In planning and performing our audit of the financial statements and supplemental schedule of GP Direct Corp. (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 (the "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 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 internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments 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.

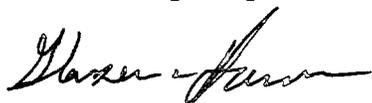
Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or 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 misstatements caused by 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 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 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 recognizes that it is not practicable in an organization the size of GP Direct Corp. to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of management, the The New York Stock Exchange, the SEC, the National Association of Securities Dealers, Inc. and any 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.



GLASSER & HAIMS, P.C.

February 10, 2005

GP DIRECT CORP.  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2004

GLASSER & HAIMS, CPA, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

GLASSER & HAIMS, P.C.  
CERTIFIED ACCOUNTANTS  
99 WEST HAWTHORNE AVENUE  
VALLEY STREAM, N.Y. 11580

-----  
(516) 568-2700 - FAX (516) 568-2911

ALVIN M. GLASSER, C.P.A.  
IRWIN M. HAIMS, C.P.A.

To The Stockholder

GP DIRECT CORP.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying balance sheet of GP Direct Corp. as a December 31, 2004 and the related statements of income, changes in stockholders' equity and cash flows for the year then ended. 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 generally accepted auditing standards. These 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 GP Direc Corp. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages eight and nine 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 Commission. 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.



GLASSER & HAIMS, P.C.  
February 7, 2005

GP DIREDT CORP.

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GP DIRECT CORP.

BALANCE SHEET

DECEMBER 31, 2004

ASSETS

Current Assets:

Cash and cash equivalents (Note 1c)	\$ 58,153	
Commission receivable	<u>233,828</u>	
TOTAL CURRENT ASSETS		\$ 291,981

Other Assets:

Advances	\$ 6,910	
Organization Expenses (Net)	<u>19,272</u>	
TOTAL OTHER ASSETS		<u>26,182</u>
TOTAL ASSETS		<u>\$ 318,163</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES:

Accrued expenses payable	\$ <u>83,067</u>	
TOTAL LIABILITIES		\$ 83,067

Commitments and Contingencies: (Note 4)

Stockholder's Equity:

Capital stock, no par value; authorized 300 shares; issued and outstanding 300 shares;	\$ 105,000	
Additional paid-in capital	36,000	
Retained earnings	<u>94,096</u>	
TOTAL STOCKHOLDER'S EQUITY		<u>235,096</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		<u>\$ 318,163</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN  
INTEGRAL PART OF THIS STATEMENT

GP DIRECT CORP.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2004

REVENUES: (Note 1)

Commissions	\$ 2,531,807
Interest	<u>620</u>

TOTAL REVENUES	\$ 2,532,427
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EXPENSES:

Officers' compensation	\$ 306,250
Employee compensation and benefits (Note 3)	816,269
Seat Lease (Note 4)	569,708
Clearance charges	46,209
Commissions	84,206
Insurance	33,440
Rent	12,500
Communications	98,361
Professional fees	83,838
Travel and entertainment	74,181
NYSE dues	144,805
Subscriptions & courses	2,277
Depreciation & amortization	6,761
Errors	101,269
SIPC	305
Other	<u>24,982</u>

TOTAL EXPENSES	<u>2,405,361</u>
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INCOME BEFORE TAXES	\$ 127,066
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TAXES - New York State & New York City	<u>12,825</u>
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NET INCOME	<u>\$ 114,241</u>
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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN  
INTEGRAL PART OF THIS STATEMENT

GP DIRECT CORP.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Issued Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earning</u>	<u>Stockholder's Equity</u>
Balance, beginning	\$ 105,000	\$ 36,000	\$ -20,145	\$ 135,096
Net income	<u>-</u>	<u>-</u>	<u>114,241</u>	<u>114,241</u>
Balance, 12/31/04	<u>\$ 105,000</u>	<u>\$ 36,000</u>	<u>\$ 94,096</u>	<u>\$ 235,096</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN  
INTEGRAL PART OF THIS STATEMENT

GP DIRECT CORP.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	\$	114,241	
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation & amortization		6,761	
(Increase) Decrease in Assets:			
Increase in commission receivable		-144,061	
Increase in advances		-6,910	
Increase in furniture & fixtures		-1,841	
Increase (Decrease) in liabilities:			
Increase in Accrued expenses payable		59,529	
Decrease in Loans & Advances		<u>-20,500</u>	
Net Cash Provided From Operating Activities			\$ <u>7,219</u>
Net Decrease In Cash and Cash Equivalents	\$		7,219
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR			<u>50,934</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$		<u>58,153</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN  
INTEGRAL PART OF THIS STATEMENT

GP DIRECT CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES

a. THE COMPANY

The Company, which was formed in New York State on January 3, 2003, is a securities broker-dealer, registered with the Securities and Exchange Commission ("SEC") and a member of the New York Stock Exchange (NYSE).

The Company specializes in executing order for others on the New York Stock Exchange.

b. METHOD OF ACCOUNTING

The Company maintains its books and records on the accrual method of accounting, in accordance with generally accepted accounting principles.

Organization expense is being amortized over a period of sixty months commencing December 2003.

c. CASH AND CASH EQUIVALENTS

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

d. INCOME TAXES

The Company, which maintains books and records on the accrual method of accounting, is subject to state and local income taxes (see note 2).

2. INCOME TAXES

As of December 31, 2003, The Company, with consent of its stockholder, has filed an election to be taxed as an S Corporation under Section 1362 (a) of the Internal Revenue Code and under Section 660 of Article 22 of the New York State Tax Code. Such election permits its income to be taxed to the stockholders rather than the Company, whether or not such income has been distributed. Income taxes are payable to New York City which does not recognize S Corporation status.

GP DIRECT CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

4. COMMITMENTS AND CONTINGENCIES

The Company leases three seats on the New York Stock Exchange for a period of twelve months.

5. NET CAPITAL

The Company is subject to the Securities & Exchange Commission Uniform Net capital Rule 15c3-1, which requires 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. At December 31, 2004, the Company had net capital and aggregate indebtedness of \$206,379 and \$189,817 respectively. The net capital ratio was .92 to 1 or 92% compared to a maximum allowable percentage of 1,500%. Net capital exceeded requirements by \$193,718.

6. ANNUAL REPORT

Pursuant to the Securities & Exchange Commission Rule 17a-5, the Statement of Financial Condition is available for examination at Gettenberg Consulting, 65 Broadway, New York, New York 10006 and the New York regional office of the Commission.

GP DIRECT CORP.

COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS

PURSUANT TO RULE 15C3-1

DECEMBER 31, 2004

NET CAPITAL:

Stockholder's equity		\$	235,096
Deductions and charges:			
Commission receivable over 30 days	\$	2,535	
Other Assets		<u>26,182</u>	28,717
Net Capital Before Haircuts on Securities		\$	206,379
Haircuts on securities			<u>0</u>
NET CAPITAL		\$	206,379

AGGREGATE INDEBTEDNESS:

Accrued expenses payable	\$	86,067
Other unrecorded amounts - seat lease guarante		<u>103,750</u>
	\$	<u>189,817</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

Minimum net capital required (6 2/3% of \$189,817. or \$5,000)		\$	<u>12,661</u>
Excess net capital		\$	<u>193,718</u>
Excess net capital at 1,000%		\$	<u>187,397</u>
Percentage of aggregate indebtedness to net capital			<u>92%</u>

The difference between net capital shown in the above computation and the net capital shown in the computation included in the Company's corresponding unaudited Form X-17A-5 Part II filing is due to the following:

Net capital - above	\$	203,821
Net capital as filed		<u>206,379</u>
	\$	<u>-2,258</u>
Represented by differences in the following:		
Accrued expenses	\$	-2,559
Rounding		<u>1</u>
Difference, as above	\$	<u>-2,558</u>

GP DIRECT CORP.

EXEMPTION FROM RESERVE REQUIREMENTS FOR BROKER DEALERS

UNDER RULE 15C3-3 (K) (ii)

DECEMBER 31, 2004

The Company is exempt from reserve requirements for broker-dealers under Rule 15c3-3 sub-paragraph (k) (ii) as it carries no margin or other securities accounts, and meets all other requirements of the Rule.