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

SEC FILE NUMBER
8-32664

**FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities and Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 03/01/04 AND ENDING 02/28/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

Weston Securities Corporation

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

40 William Street, Suite 100

(No. and Street)

Wellesley

(City)

MA

(State)

02481

(Zip Code)

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

Stephen G. DaCosta

(781) 235-7055

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Briggs, Bunting & Dougherty, LLP

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

Two Penn Center Plaza, Suite 820

(Address)

Philadelphia

(City)

PA

(State)

19102-1732

(Zip Code)

CHECK ONE:

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

PROCESSED
MAY 17 2005
THOMSON
FINANCIAL

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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).

AM
5-17-2005

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WESTON SECURITIES CORPORATION

ANNUAL AUDITED REPORT

FORM X-17A-5

YEAR ENDED FEBRUARY 28, 2005

**BRIGGS
BUNTING &
DOUGHERTY, LLP**

Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' REPORT

**To the Stockholders and Board of Directors
Weston Securities Corporation
Wellesley, Massachusetts**

We have audited the accompanying statement of financial condition of Weston Securities Corporation as of February 28, 2005, and the related statements of income, changes in ownership 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 U.S. 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 Weston Securities Corporation as of February 28, 2005, and the results of its operations and its cash flows for the year then ended, in conformity with U.S. 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 in Pages 3, 4, and 7 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 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.

Briggs, Bunting & Dougherty, LLP

**Philadelphia, Pennsylvania
April 14, 2005**

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER **Weston Securities Corporation**

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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 02/28/05 99
 SEC FILE NO. 8-32664 98
 Consolidated 198
 Unconsolidated 199

ASSETS

Allowable

Non-Allowable

Total

1. Cash..... \$ <u>225,743</u>	200		\$ <u>225,743</u>	750
2. Receivables from brokers or dealers:				
A. Clearance account.....	295			
B. Other	300	\$ <u>550</u>		810
3. Receivables from non-customers	355	<u>100,579</u>	<u>600</u>	830
4. Securities and spot commodities owned, at market value:				
A. Exempted securities.....	418			
B. Debt securities	419			
C. Options	420			
D. Other securities	<u>114,953</u>	424		
E. Spot commodities	430		<u>114,953</u>	850
5. Securities and/or other investments not readily marketable:				
A. At cost ² \$ <u>3,300</u>				
B. At estimated fair value	440	<u>3,300</u>	610	<u>3,300</u>
6. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:	460		630	880
A. Exempted securities \$				
B. Other securities \$				
7. Secured demand notes	470		640	890
market value of collateral:				
A. Exempted securities \$				
B. Other securities \$				
8. Memberships in exchanges:				
A. Owned, at market \$				
B. Owned, at cost			650	
C. Contributed for use of the company, at market value.....		660		900
9. Investments in and receivables from affiliates, subsidiaries and associates partnerships.....	480		670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490		680	920
11. Other assets	535		735	930
12. TOTAL ASSETS	340,696	540	103,879	740
	\$	\$	\$	444,575
				940

OMIT PENNIES

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Weston Securities Corporation

as of 02/28/05

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255 ¹³	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	197,458	1355	197,458
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	634	1385	634
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211 ¹²	1390 ¹⁴	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings		1400	1710
1. from outsiders ⁹ \$			
2. Includes equity subordination (15c3-1(d)) of..... \$			
B. Securities borrowings, at market value		1410	1720
from outsiders \$			
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$			
2. Includes equity subordination (15c3-1(d)) of..... \$			
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 198,092	\$ 1450	\$ 198,092

Ownership Equity

21. Sole proprietorship		15	\$ 1770
22. Partnership (limited partners	11	\$ 1020	1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock		6,000	1792
C. Additional paid-in capital		29,200	1793
D. Retained earnings		211,283	1794
E. Total		246,483	1795
F. Less capital stock in treasury		16	1796
24. TOTAL OWNERSHIP EQUITY			\$ 246,483
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 444,575

OMIT PENNIES

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Weston Securities Corporation

as of 02/28/05

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition.....	\$ 246,483	3480
2.	Deduct ownership equity not allowable for Net Capital..... 19	()	3490
3.	Total ownership equity qualified for Net Capital.....	246,483	3500
4.	Add:		
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....		3520
	B. Other (deductions) or allowable credits (List).....		3525
5.	Total capital and allowable subordinated liabilities.....	\$ 246,483	3530
6.	Deductions and/or charges: 17		
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$ 103,879		3540
	B. Secured demand note deficiency.....		3590
	C. Commodity futures contracts and spot commodities- proprietary capital charges.....		3600
	D. Other deductions and/or charges.....		3610
		(103,879)	3620
7.	Other additions and/or allowable credits (List).....		3630
8.	Net capital before haircuts on securities positions..... 20	\$ 142,604	3640
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):		
	A. Contractual securities commitments..... \$		3660
	B. Subordinated securities borrowings.....		3670
	C. Trading and investment securities:		
	1. Exempted securities..... 18		3735
	2. Debt securities.....		3733
	3. Options.....		3730
	4. Other securities - 2%x money market mutual fund.....	2,299	3734
	D. Undue Concentration.....		3650
	E. Other (List).....		3736
		(2,299)	3740
10.	Net Capital.....	\$ 140,305	3750

OMIT PENNIES

There was no difference between the audited net capital calculation and the Company's net capital calculation as filed previously.

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Weston Securities Corporation

as of 02/28/05

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19).....	\$	13,206	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A).....	\$	25,000	3758
13. Net capital requirement (greater of line 11 or 12).....	\$	25,000	3760
14. Excess net capital (line 10 less 13).....	\$	115,305	3770
15. Excess net capital at 100% (line 10 less 10% of line 19).....	22 \$	120,496	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.1. liabilities from Statement of Financial Condition.....	\$	198,092	3790
17. Add:			
A. Drafts for immediate credit.....	21 \$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited.....	\$	3810	
C. Other unrecorded amounts (List).....	\$	3820	3838
19. Total aggregate indebtedness.....	\$	198,092	3840
20. Percentage of aggregate indebtedness to net capital (line 19 \div by line 10).....	%	141	3750
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d).....	%	0	3760

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits.....	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A).....	23 \$		3880
24. Net capital requirement (greater of line 22 or 23).....	\$		3760
25. Excess net capital (line 10 less 24).....	\$		3910
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000.....	\$		3920

OMIT PENNIES

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Weston Securities Corporation

For the period (MMDDYY) from 24 03/01/04 **3932** to 02/28/05 **3933**
Number of months included in this statement 12 **3931**

COMPUTATION OF NET INCOME (LOSS)

REVENUE

1.	Commissions:		
	a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	3935
	b. Commissions on listed option transactions	25	3938
	c. All other securities commissions		3939
	d. Total securities commissions		3940
2.	Gains or losses on firm securities trading accounts		
	a. From market making in options on a national securities exchange		3945
	b. From all other trading		3949
	c. Total gain (loss)		3950
3.	Gains or losses on firm securities investment accounts		3952
4.	Profit (loss) from underwriting and selling groups	26	3955
5.	Revenue from sale of investment company shares		3970
6.	Commodities revenue		3990
7.	Fees for account supervision, investment advisory and administrative services	658,528	3975
8.	Other revenue	768,356	3995
9.	Total revenue	1,426,884	4030

EXPENSES

10.	Salaries and other employment costs for general partners and voting stockholder officers		
		\$	4120
11.	Other employee compensation and benefits	27	4115
12.	Commissions paid to other broker-dealers		4140
13.	Interest expense		4075
	a. Includes interest on accounts subject to subordination agreements	4070	
14.	Regulatory fees and expenses	138,770	4195
15.	Other expenses	1,281,994	4100
16.	Total expenses	\$ 1,420,764	4200

NET INCOME

17.	Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)		
		\$ 6,120	4210
18.	Provision for Federal income taxes (for parent only)	28	4220
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
	a. After Federal income taxes of	4238	
20.	Extraordinary gains (losses)		4224
	a. After Federal income taxes of	4239	
21.	Cumulative effect of changes in accounting principles		4225
22.	Net income (loss) after Federal income taxes and extraordinary items	\$ 6,120	4230

MONTHLY INCOME

23.	Income (current month only) before provision for Federal income taxes and extraordinary items		
		\$ (349,701)	4211

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Weston Securities Corporation

For the period (MMDDYY) from 03/01/04 to 02/28/05

STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	240,363		4240
A. Net income (loss)		6,120		4250
B. Additions (includes non-conforming capital of		29	4262	4260
C. After Federal income taxes of			4272	4270
2. Balance, end of period (From item 1800)	\$	246,483		4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	0		4300
A. Increases				4310
B. Decreases				4320
4. Balance, end of period (From item 3520)	\$	0		4330

OMIT PENNIES

See accompanying notes

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER Weston Securities Corporation

as of 02/28/05

Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 - (mutual funds and various annuities)..... X 4550
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm ³¹ 4335 4570
- D. (k) (3)—Exempted by order of the Commission..... 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
32	4600	4601	4602	4603	4604	4605
33	4610	4611	4612	4613	4614	4615
34	4620	4621	4622	4623	4624	4625
35	4630	4631	4632	4633	4634	4635
36	4640	4641	4642	4643	4644	4645
37	4650	4651	4652	4653	4654	4655
38	4660	4661	4662	4663	4664	4665
39	4670	4671	4672	4673	4674	4675
40	4680	4681	4682	4683	4684	4685
41	4690	4691	4692	4693	4694	4695
			TOTAL \$ ⁴² 0	4699		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities

See accompanying notes

WESTON SECURITIES CORPORATION

STATEMENT OF CASH FLOWS

Year ended February 28, 2005

CASH FLOWS FROM OPERATING ACTIVITIES

<i>Net income</i>	\$ 6,120
<i>Adjustments to reconcile net income to net cash provided by (used for) operating activities</i>	
(Increase) decrease in assets	
Commission receivable	24,364
12b-1 receivable	(2,726)
Due from related party	33,759
Increase (decrease) in liabilities	
Accounts payable	(2,596)
Due to affiliate	<u>4,057</u>
Net increase in cash	62,978
CASH	
Beginning of year	<u>277,718</u>
End of year	<u>\$340,696</u>

See accompanying notes

WESTON SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

February 28, 2005

(1) ORGANIZATION AND NATURE OF ACTIVITIES

Weston Securities Corporation ("**WSC**" or the "**Company**") was organized on August 14, 1984. WSC is a wholly owned subsidiary of Weston Financial Group, Inc ("**WFG**"). WSC is a registered broker/dealer, which is primarily involved in the distribution of tax advantaged investments and mutual funds. WSC serves primarily as a distributor for five affiliated mutual funds and distributes these funds predominately to clients of WFG. Certain of the officers and trustees of the affiliated funds are also officers and directors of WFG.

(2) SIGNIFICANT ACCOUNTING POLICIES

Investment Transactions

Investment transactions (and related commissions, revenue and expenses) are recorded when the investments are sold and all material terms of the sale have been completed and fulfilled.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash. The Company deposits its cash with its bank which is a high credit, quality financial institution. At times, these deposits may be in excess of the FDIC insurance limit or not covered by the FDIC.

The Company is engaged in various trading activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument.

Revenue Recognition

The Company primarily earns commissions from the placement of equity interests in annuities, mutual funds and other investment programs. These commissions are accrued as earned.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Corporation has elected to file a consolidated tax return with its parent, Weston Financial Group, Inc. As per the Administrative agreement, WFG is responsible for paying any and all income taxes, therefore, no tax accrual is being made for the year ended February 28, 2005.

(3) RELATED PARTY TRANSACTIONS

WSC is a wholly-owned subsidiary of Weston Financial Group, Inc. WSC entered into an agreement with WFG to pay all of WSC's administrative expenses including taxes, regulatory fees and litigation expenses. The fee per the agreement for the year ended February 28, 2005 is 85% of gross revenues. For the year ended February 28, 2005, the amount of administrative expenses paid or accrued to WFG was \$1,212,851. In addition, the Company owed WFG as of February 28, 2005, \$197,458 for unpaid administrative fees.

WESTON SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

February 28, 2005

WSC entered into an agreement with The Park Insurance Agency, Inc. ("**Park**") which is owned by some of the principal stockholders of WFG. This agreement states that Park will pay WSC a 70% commission on the commissions received by Park for all sales of single premium variable life insurance and annuity policies. For the year ended February 28, 2005, WSC earned \$380,577 of commissions from Park. In addition, the Company has a receivable for unpaid commissions from Park as of February 28, 2005 in the amount of \$37,313.

(4) STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Common stock	\$ 6,000
Paid-in-capital	29,200
Retained earning beginning balance	205,163
Net income for the year	<u>6,120</u>
End of the year balance	<u>\$246,483</u>

(5) REGULATORY REQUIREMENTS

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 (reserve requirements for brokers and dealers) in that the Company does not hold funds or securities for customers and it promptly transmits all funds and delivers all securities in connection with its activities as a broker or dealer.

The company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). For the year ended February 28, 2005, WSC had net capital of \$140,305. The net capital in excess of its required net capital of \$25,000 for the year ended February 28, 2005 was \$115,305.

BRIGGS BUNTING & DOUGHERTY, LLP

Certified Public Accountants and Business Advisors

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

To the Stockholders and Board of Directors
Weston Securities Corporation
Wellesley, Massachusetts

In planning and performing our audit of the financial statements and supplemental schedules of Weston Securities Corporation (the "**Company**"), for the year ended February 28, 2005, 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 Exchange Commission ("**SEC**"), we have made a study of the practices and procedures followed by the Company including tests of compliance with 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 the Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
4. Obtaining and maintaining physical possession or control of all fully-paid and excess margin securities of customers as required by rule 15c3-3.

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 conformity with U.S. 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 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 February 28, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC 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.

Briggs, Bunting & Dougherty, LLP

Philadelphia, Pennsylvania
April 14, 2005