

19  
9/11

SO #2410



SECU

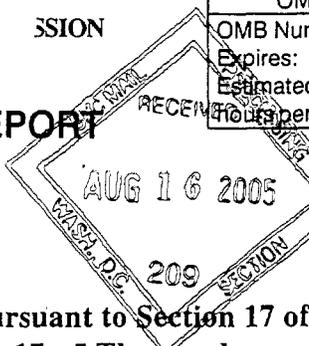
05043901

SSION

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
8-30840

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 07/01/04 AND ENDING 06/30/05  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: A.M. Oppenheimer Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1150 Silverado

(No. and Street)

La Jolla

CA

92037

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Sonnenberg & Company, CPAs

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

5190 Governor Drive, Suite 201, San Diego, CA 92122

(Address)

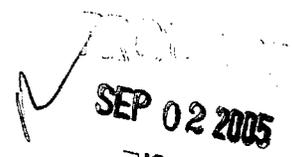
(City)

(State)

(Zip Code)

CHECK ONE:

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



<b>FOR OFFICIAL USE ONLY</b>

\*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)

SO pth 9/1/05

OATH OR AFFIRMATION

I, Allen M. Oppenheimer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of A.M. Oppenheimer Securities, Inc., as of June 30, 2005, 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:

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

STATE OF CALIFORNIA }  
COUNTY OF SAN DIEGO }

Allen M. Oppenheimer  
Signature

PRESIDENT  
Title

Subscribed and sworn to before me  
on this 08th day of August, 2005,  
by Allen M. OPPENHEIMER  
Notary Public

Khua Hoang



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).



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

## Independent Auditors' Report

Board of Directors  
A. M. Oppenheimer Securities, Inc.  
La Jolla, California

We have audited the accompanying statements of financial condition of A. M. Oppenheimer Securities, Inc. as of June 30, 2005 and 2004, and the related statements of income and deficit, cash flows, changes in shareholder's equity, and changes in liabilities subordinated to claims of general creditors for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and schedules referred to above present fairly, in all material respects, the financial positions of A. M. Oppenheimer Securities, Inc., as of June 30, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

August 8, 2005

  
Sonnenberg & Company, CPAs

A. M. OPPENHEIMER SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current assets:		
Cash	\$ 6,600	\$ 6,682
Other assets:		
Investments, at cost, not readily marketable	52,600	52,600
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 59,200</u>	<u>\$ 59,282</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities	\$ 0	\$ 0
Shareholder's equity:		
Common stock, \$1 par value; authorized 100,000 shares, issued and outstanding 5,500 shares	5,500	5,500
Additional paid in capital	88,893	86,718
Deficit	<u>(35,193)</u>	<u>(32,936)</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 59,200</u>	<u>\$ 59,282</u>

See notes to financial statements.

A. M. OPPENHEIMER SECURITIES, INC.  
STATEMENT OF INCOME AND DEFICIT  
YEARS ENDED JUNE 30, 2005 AND 2004

	<u>Year Ended June 30, 2005</u>	<u>Year Ended June 30, 2004</u>
Income		
Interest Income	\$ 23	\$ 23
Refund of Fees	<u>100</u>	<u>163</u>
Total Income	123	186
Operating expenses:		
Amortization	\$ 0	\$ 0
Dues - SIPC	150	150
Fees - NASD	780	765
License and State fees	50	25
Tax - Franchise Tax Board	800	800
Audit expense	600	600
Department of corporations fee	0	0
Miscellaneous expenses	<u>0</u>	<u>0</u>
Total Operating expenses	<u>2,380</u>	<u>2,340</u>
Net Income (Loss)	(2,257)	(2,154)
Deficit, beginning	<u>(32,936)</u>	<u>(30,782)</u>
Deficit, ending	<u><u>\$(35,193)</u></u>	<u><u>\$(32,936)</u></u>

See notes to financial statements.

A. M. OPPENHEIMER SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	<u>Year Ended June 30, 2005</u>	<u>Year Ended June 30, 2004</u>
Operating activities:		
Net income (loss)	\$(2,257)	\$(2,154)
Financing activities:		
Increase in paid in capital	2,175	2,160
Investments at cost	<u>0</u>	<u>0</u>
Increase (decrease) in cash	\$( 82)	6
Beginning cash balances	\$ 6,682	6,676
Ending cash balances	<u>\$ 6,600</u>	<u>\$ 6,682</u>
Income taxes paid	<u>\$ 800</u>	<u>\$ 800</u>
Interest paid	<u>\$ 0</u>	<u>\$ 0</u>

See notes to financial statements.

A. M. OPPENHEIMER SECURITIES, INC.  
 STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
 FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	<u>Common Stock</u>	<u>Additional Paid In Capital</u>	<u>Deficit</u>	<u>Total</u>
Balance June 30, 2003	\$5,500	\$84,558	\$(30,782)	\$59,276
Additional paid in capital		2,160		2,160
Net loss for the year ended June 30, 2004	_____	_____	(2,154)	(2,154)
Balance, June 30, 2004	5,500	86,718	(32,936)	59,282
Additional paid in capital		2,175		2,175
Net loss for the year ended June 30, 2005	_____	_____	(2,257)	(2,257)
Balance, June 30, 2005	<u>\$5,500</u>	<u>\$88,893</u>	<u>\$(35,193)</u>	<u>\$59,200</u>

See notes to financial statements.

A. M. OPPENHEIMER SECURITIES, INC.  
STATEMENT OF CHANGES IN LIABILITY SUBORDINATED  
TO CLAIM OF GENERAL CREDITORS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

There are no liabilities subordinated to the claim of general creditors.

See notes to financial statements.

A. M. OPPENHEIMER SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

1. Organization and ~~N~~ature of Business:

A. M. Oppenheimer Securities, Inc. (The Company) is a licensed broker-dealer limited to wholesaling and retailing of public placements of limited partnership interests and to the sale of privately-held companies under the jurisdiction of the NASD (National Association of Securities Dealers, Inc.). The Company is a California corporation that is a wholly-owned subsidiary of A. M. Oppenheimer, Inc.

The only revenues generated by the Company to date has been service income and interest income.

2. Summary of significant accounting policies:

The company records its assets, liabilities, income and expenses on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

During June 2000 and December 2000 and May 2003, the Company acquired warrants from National Association of Securities Dealers, Inc. to purchase shares in the NASDAQ Stockmarket, Inc. The warrants and shares are recorded as assets of the Company at its total cost basis of \$52,600.

3. Income Taxes:

The Company files federal and state income tax returns annually. Due to operating deficits, the Company pays only the minimum franchise tax of \$800.

4. Common Stock:

The company is a wholly-owned subsidiary of A. M. Oppenheimer, Inc. The Company has issued 5,500 shares at \$1 par value for a total of \$5,500. The parent corporation, A. M. Oppenheimer, Inc. is owned 100 per cent by Allen M. Oppenheimer, who is also the president of both corporations.



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

Independent Auditors' Report on Supplementary Information  
Required by Rule 17a-5 of the Securities and Exchange Commission

Board of Directors  
A. M. Oppenheimer Securities, Inc.  
La Jolla, California

We have audited the accompanying financial statements of A. M. Oppenheimer Securities, Inc. as of and for the year ended June 30, 2005, and have issued our report thereon dated August 8, 2005. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II on Pages 11 to 13 is presented for purposes of additional analysis and is not considered a required part of the basic financial statements, but is supplementary information required under 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.

Sonnenberg & Company, CPAs

August 8, 2005

A. M. OPPENHEIMER SECURITIES, INC.  
SCHEDULE I  
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	Year Ended <u>June 30, 2005</u>	Year Ended <u>June 30, 2004</u>
Total shareholder's equity	\$59,200	\$59,282
Shareholder's equity not allowable	<u>0</u>	<u>0</u>
Total shareholder's equity qualified for net capital	59,200	59,282
Total non-allowable assets	<u>52,600</u>	<u>52,600</u>
Net capital before haircuts on securities position	6,600	6,682
Haircuts on securities	<u>0</u>	<u>0</u>
Net capital	<u>\$ 6,600</u>	<u>\$ 6,682</u>
Minimum net capital requirement (6.67% of current liabilities)	\$ 0	\$ 0
Minimum dollar net capital required	<u>5,000</u>	<u>5,000</u>
Net capital requirement - (the larger of the required net capital)	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Net capital	\$ 6,600	\$ 6,682
Net capital requirement	<u>5,000</u>	<u>5,000</u>
Excess net capital	<u>\$ 1,600</u>	<u>\$ 1,682</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities from statement of financial condition	<u>\$ 0</u>	<u>\$ 0</u>
Total aggregate indebtedness	<u>\$ 0</u>	<u>\$ 0</u>
Percentage of aggregate indebtedness to net capital	0%	0%
Percentage of debt to debt-equity in accordance with Rule 15c-1	0%	0%

A. M. OPPENHEIMER SECURITIES, INC.  
SCHEDULE II  
COMPUTATION OF RECONCILIATION PURSUANT TO RULE 17a-5(d) (4)  
FOR THE YEAR ENDED JUNE 30, 2005

Reconciliation of computation of net capital pursuant to Rule 15c3-1

	Dealer's Unaudited Report <u>06/30/2005</u>	Audited Report <u>06/30/2005</u>	<u>Difference</u>
Total shareholder's equity	\$59,200	\$59,200	\$ 0
Shareholder's equity not allowed	<u>52,600</u>	<u>52,600</u>	<u>0</u>
Total shareholder's equity qualified for net capital	6,600	6,600	0
Total non-allowable liabilities (See Sch B)	0	0	0
Total non-allowable assets (See Sch C)	<u>0</u>	<u>0</u>	<u>0</u>
Net capital before haircuts on securities positions	6,600	6,600	0
Haircuts on securities	<u>0</u>	<u>0</u>	<u>0</u>
Net capital	<u>\$ 6,600</u>	<u>\$ 6,600</u>	<u>\$ 0</u>
Schedule A - Reconciliation of shareholder's equity			
Net loss per audited report			\$ (2,257)
Deficit - June 30, 2004			(32,936)
Capital stock			5,500
Additional paid in capital			<u>88,893</u>
Total shareholder's equity			<u>\$ 59,200</u>

A. M. OPPENHEIMER SECURITIES, INC.  
SCHEDULE II (CONTINUED)  
COMPUTATION OF RECONCILIATION PURSUANT TO RULE 17a-5(d)(4)  
FOR THE YEAR ENDED JUNE 30, 2005

	Dealer's Unaudited Report <u>06/30/2005</u>	Audited Report <u>06/30/2005</u>	<u>Difference</u>
Schedule B - Reconciliation of non-allowable liabilities			
Liabilities subordinated to claims of general creditors	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Schedule C - Reconciliation of non-allowable assets:			
Non-allowable assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Reconciliation of computation of net capital</u>			
Minimum net capital requirement (6.67% of current liabilities)	\$ 0	\$ 0	\$ 0
Minimum dollar net capital required	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net capital requirement	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 0</u>
Net capital for period ended June 30, 2005	\$ 6,600	\$ 6,600	\$ 0
Net capital requirement	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Excess net capital	<u>\$ 1,600</u>	<u>\$ 1,600</u>	<u>\$ 0</u>



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

## Independent Auditors' Report on Internal Control

The Board of Directors  
A. M. Oppenheimer Securities, Inc.  
La Jolla, California

In planning and performing our audit of the financial statements and supplemental schedules of A. M. Oppenheimer Securities, Inc., for the year ended June 30, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expression our opinion on the consolidated financials statements and not to provide assurance on internal control.

Also, as required by Rule 17a-3(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 consider 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, or 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.

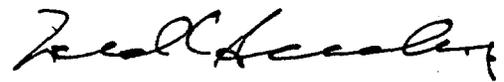
The management of the Company is responsible for establishing and maintain internal control and the practices and procedures referred to in th preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of 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 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 accounting principles generally accepted in the United States of America. Rule 17a-5(5) lists additional objectives of the practices and procedures listed in preceding paragraph.

Because of the 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 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 weakness 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 specified 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 weaknesses as defined above.

We understand that the 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 and 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 our study, we believe that the Company's practices and procedures were adequate at June 30, 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 17c-5(g) of 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.



August 8, 2005

Sonnenberg & Company, CPAs