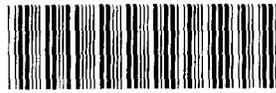


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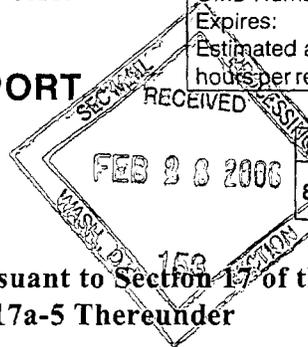
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Expires: January 31, 2007  
Estimated average burden  
hours per response..... 12.00

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



SEC FILE NUMBER  
8-30563

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 01/01/05 AND ENDING 12/31/05  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: GILL & ASSOCIATES, INC. */Gill CAPITAL PARTNERS*

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

655 BROADWAY, SUITE 810

(No. and Street)

DENVER

COLORADO

80203

(City)

(State)

(Zip Code)

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

JAMES O'BRIEN

303-296-6260

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

AFFLECK GILMAN & CO., P.C.

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

495 UINTA WAY - SUITE 100

DENVER

COLORADO

80230

(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 27 2006  
THOMSON FINANCIAL

**FOR OFFICIAL USE ONLY**

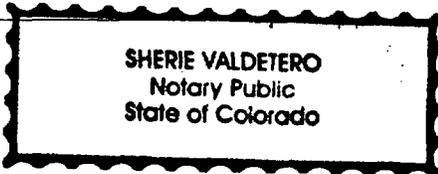
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, JAMES O'BRIEN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GILL & ASSOCIATES, INC., as of DECEMBER 31, 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:



James O'Brien  
Signature  
PRESIDENT  
Title

Sherie Valdetero exp 12/03/08  
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 15c3-1 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).

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2005

A handwritten signature in black ink, appearing to be "CPA", located in the bottom right corner of the page.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

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Julie K. Affleck, CPA  
Richard L. Gilman, CPA

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Gill and Associates, Inc.  
Denver, Colorado

We have audited the accompanying statements of financial condition of Gill and Associates, Inc. (a subsidiary of OBW, Inc.) as of December 31, 2005 and 2004, and the related statements of operations, cash flows, stockholders' equity and changes in subordinated borrowings 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 referred to above present fairly, in all material respects, the financial condition of Gill and Associates, Inc. (a subsidiary of OBW, Inc.) as of December 31, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Schedules I, II and III 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits 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.

  
AFFLECK GILMAN & CO., P.C.  
Certified Public Accountants

Denver, Colorado  
February 14, 2006

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

STATEMENTS OF FINANCIAL CONDITION

ASSETS

	December 31,	
	<u>2005</u>	<u>2004</u>
Cash	\$ 108,866	\$ 166,788
Cash deposits with clearing organizations	50,000	50,000
Commissions receivable	10,871	8,468
Advisory fees receivable	19,002	4,304
Due from related party	11,949	-
Prepaid expenses	4,052	4,052
Property and equipment, at cost, net of accumulated depreciation	4,852	5,112
Deferred tax benefit	5,260	-
Refundable deposits	<u>2,259</u>	<u>2,259</u>
TOTAL ASSETS	<u>\$ 217,111</u>	<u>\$ 240,983</u>

The accompanying notes are an integral part of these financial statements.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

STATEMENTS OF FINANCIAL CONDITION (CONTINUED)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31,	
	2005	2004
LIABILITIES		
Accounts payable and other liabilities	\$ 9,153	\$ 22,662
Payroll taxes payable	250	-
Due to related party	8,000	-
Subordinated loan payable to stockholder	130,000	130,000
TOTAL LIABILITIES	147,403	152,662
COMMITMENTS		
STOCKHOLDERS' EQUITY		
Common Stock, no par value: authorized 50,000 shares; issued and outstanding 48,000 shares	4,500	4,500
Additional paid-in capital	119,073	113,873
Retained earnings (deficit)	(53,865)	(30,052)
TOTAL STOCKHOLDERS' EQUITY	69,708	88,321
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 217,111	\$ 240,983

The accompanying notes are an integral part of these financial statements.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

STATEMENTS OF OPERATIONS

	Year Ended	December 31,
	2005	2004
INCOME		
Commissions	\$ 397,865	\$ 556,200
Investment advisory fees	32,690	18,020
Interest and dividends	3,578	2,637
Gain on sale of property and equipment	-	9,421
Other income	3,720	5,503
TOTAL INCOME	437,853	591,781
EXPENSES		
Clearing fees	44,760	35,231
Salaries - officers	200,902	244,577
Salaries - other	45,085	62,844
Employee benefits	20,880	35,564
Payroll taxes	20,466	22,930
Management fees	-	57,500
Rent	23,991	23,991
Equipment lease	2,916	2,814
Telephone	8,702	8,231
Contract labor	49,938	75,141
Office expense	3,247	6,193
Dues and subscriptions	5,779	8,288
Insurance	3,341	1,340
Postage	1,628	1,501
Travel and entertainment	7,775	13,735
Taxes and licenses	124	124
Professional fees	17,293	9,666
Advertising and promotion	2,033	3,895
Contributions	-	100
Depreciation	1,302	2,537
Interest	5,281	4,910
Miscellaneous expenses	1,483	673
Repairs and maintenance	-	48
TOTAL EXPENSES	466,926	621,833
NET LOSS BEFORE INCOME TAX BENEFIT	(29,073)	(30,052)
FEDERAL AND STATE INCOME TAX BENEFIT	5,260	-
NET LOSS	\$ (23,813)	\$ (30,052)

The accompanying notes are an integral part of these financial statements.

**GILL AND ASSOCIATES, INC.**  
**(A SUBSIDIARY OF OBW, INC.)**

**STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (23,813)	\$ (30,052)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	1,302	2,537
Gain on disposal of property and equipment	-	(9,421)
Interest imputed on subordinated loan payable	5,200	4,490
(Increase) decrease in assets:		
Deposits with clearing organizations	-	16
Accounts receivable	(17,101)	135,718
Deferred tax benefit	(5,260)	-
Refundable deposits	-	(399)
Increase (decrease) in liabilities:		
Accounts payable	(13,509)	(123,135)
Payroll taxes payable	<u>250</u>	<u>(9,682)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(52,931)</u>	<u>(29,928)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Advances to related party	(11,949)	-
Purchase of property and equipment	<u>(1,042)</u>	<u>(943)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(12,991)</u>	<u>(943)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital contributed by stockholder	-	120,000
Advances from related party	8,000	-
Dividends paid to stockholder	<u>-</u>	<u>(644,024)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>8,000</u>	<u>(524,024)</u>

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

STATEMENTS OF CASH FLOWS (CONTINUED)

	Year Ended	December 31,
	<u>2005</u>	<u>2004</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(57,922)	(554,895)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>166,788</u>	<u>721,683</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 108,866</u>	<u>\$ 166,788</u>

SCHEDULE OF NONCASH INVESTING AND  
FINANCING ACTIVITIES:

Automobiles distributed to stockholder at fair market value	\$ <u>-</u>	\$ <u>29,000</u>
Stockholder's equity converted to subordinated loan payable to stockholder	\$ <u>-</u>	\$ <u>130,000</u>
Interest imputed on subordinated loan payable to stockholder and treated as contributed back to the Company as additional paid-in capital	\$ <u>5,200</u>	\$ <u>4,490</u>

The accompanying notes are an integral part of these financial statements.

**GILL AND ASSOCIATES, INC.**  
**(A SUBSIDIARY OF OBW, INC.)**

**STATEMENT OF STOCKHOLDERS' EQUITY**

	Common Stock		Additional	Retained
	No. of Shares	Amount	Paid-In Capital	Earnings (Deficit)
BALANCES, January 1, 2004	48,000	\$ 4,500	\$ 440,342	\$ 352,065
Capital contributed by stockholder	-	-	120,000	-
Cash dividends paid to stockholder	-	-	(450,959)	(193,065)
Stockholder's equity converted to subordinated loan payable to stockholder	-	-	-	(130,000)
Automobiles distributed to stockholder at fair market value	-	-	-	(29,000)
Interest imputed on subordinated loan and treated as contributed back to Company as capital	-	-	4,490	-
Net loss for the year	-	-	-	(30,052)
BALANCES, December 31, 2004	48,000	4,500	113,873	(30,052)
Interest imputed on subordinated loan and treated as contributed back to Company as capital	-	-	5,200	-
Net loss for the year	-	-	-	(23,813)
BALANCES, December 31, 2005	48,000	\$ 4,500	\$ 119,073	\$ (53,865)

The accompanying notes are an integral part of these financial statements.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

STATEMENT OF CHANGES IN SUBORDINATED BORROWINGS

Subordinated borrowings at January 1, 2004	\$ -
Increases:	
Issuance of subordinated note	130,000
Decreases:	
Payments on subordinated note	<u>-</u>
Subordinated borrowings at December 31, 2004	130,000
Increases:	
Issuance of subordinated note	-
Decreases:	
Payments on subordinated note	<u>-</u>
Subordinated borrowings at December 31, 2005	<u>\$ 130,000</u>

The accompanying notes are an integral part of these financial statements.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization:

Gill and Associates, Inc. (a subsidiary of OBW, Inc.) was incorporated as a broker/dealer under the laws of the State of Colorado on August 31, 1983, and currently is conducting business in Colorado primarily in the stock and bond markets. The Company operates under clearing agreements with other broker/dealers, and also provides investment advisory services. A majority interest of the Company was sold on February 20, 2004 (see Note 9).

Basis of Accounting:

Securities transactions and related commission revenue and expenses are recorded on a settlement date basis.

Concentration of Credit Risk:

At December 31, 2005 and 2004, the Company had bank deposits of \$17,369 and \$58,264, respectively, in excess of Federally insured limits. Other financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash deposits with the Company's clearing brokers.

Regulatory Provisions:

The Company operates pursuant to the (k)(2)(ii) exemption from the Securities and Exchange Commission Rule 15c3-3. Accordingly, the Company is no longer required to make the periodic computation for determination of reserve requirement and information relating to the possession and control requirements under Rule 15c3-3.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Clearing Deposit:

The Company maintains a cash deposit with its clearing broker/dealers, which is a requirement of the clearing agreements.

Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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. At December 31, 2005 and 2004, the Company had net capital of \$163,731 and \$199,796, respectively, which was \$63,731 and \$99,796 in excess of its required net capital of \$100,000. The Company's aggregate indebtedness to net capital was 0.11 to 1 and 0.12 to 1 at December 31, 2005 and 2004.

Cash and Cash Equivalents:

Cash and cash equivalents includes cash on hand and on deposit and highly liquid debt instruments with initial maturities generally of three months or less. Cash deposits with clearing organization are not included in cash and cash equivalents.

Property and Equipment:

Property and equipment are stated at cost and are depreciated using accelerated methods over their estimated useful lives, which range from five to seven years. Maintenance and repairs are expensed as incurred. Expenditures which significantly increase asset values or extend useful lives are capitalized.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Liabilities Subordinated to Claims of General Creditors:

During the years ended December 31, 2005 and 2004, the Company had a loan obligation subordinate to the claims of all creditors (see Note 6).

Fair Values of Financial Instruments:

For certain of the Company's financial instruments, including cash and equivalents, accounts receivable, and accrued liabilities, the carrying amounts approximate fair value due to their short maturities.

Impairment of Long-Lived Assets:

In the event that facts and circumstances indicate that long-lived assets may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required.

Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements in conformity with 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Income Taxes:

No tax liability is reported on the financial statements for the year ended December 31, 2004 because the Company had elected to be taxed as an S corporation since January 1, 1987. Accordingly, earnings and losses were included in the tax returns of the stockholders. Effective January 1, 2005, the Company revoked its S corporation election, and is therefore treated as a separate taxable entity. The income tax benefit for the year ended December 31, 2005 includes deferred federal and state income taxes accrued because of future tax benefits related to the carryforward of the net operating loss, and because of temporary differences between financial statement and tax bases of assets and liabilities. Net loss per the financial statements differs from the loss reported in the tax returns because of differences in depreciation methods.

NOTE 2: CASH FLOW INFORMATION

Payments for interest and income taxes were:

	December 31,	
	2005	2004
Interest	\$ 81	\$ 420
Income taxes	\$ -	\$ -

NOTE 3: REVENUE CONCENTRATIONS

During 2005 and 2004, the Company earned \$54,923 and \$61,841, respectively, of commission income from one of its customers. The amount accounted for 13% and 10% of the Company's total income for 2005 and 2004.

**GILL AND ASSOCIATES, INC.**  
**(A SUBSIDIARY OF OBW, INC.)**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2005**

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31, 2005 and 2004:

	December 31,	
	2005	2004
Furniture and equipment	\$ 35,686	\$ 34,644
Less accumulated depreciation	(30,834)	(29,532)
Net property and equipment	\$ 4,852	\$ 5,112

**NOTE 5: COMMITMENTS**

The Company occupies a facility under an operating lease, which expires on January 31, 2007. The lease requires no lease payments for the first three months, and scheduled periodic rent increases over the remaining term of the lease agreement. Total monthly rent payments required under the lease agreement are charged to expense on the straight-line method over the term of the lease. The Company recorded a deferred credit to reflect the excess of rent expense over cash payments since inception of the lease. The lease does not contain an option for renewal, but does provide for month to month tenancy after expiration of the lease term. Both landlord and tenant have options for early termination of the lease if certain conditions are met and termination fees are paid.

During 2004, the Company entered into an equipment lease agreement. The noncancelable operating lease requires monthly payments, plus applicable taxes, over a 36 month term. The equipment may be purchased at fair market value at the end of the lease term.

Future minimum rental payments under the operating leases are as follows:

Year Ended December 31,	Facility	Equipment
2006	\$ 27,026	\$ 2,566
2007	2,260	214
Total minimum lease payments	\$ 29,286	\$ 2,780

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 5: COMMITMENTS (CONTINUED)

Total rent charged to operations was \$26,907 and \$26,805, during 2005 and 2004, respectively.

NOTE 6: SUBORDINATED LOAN AGREEMENT

Effective February 20, 2004, a stockholder of the Company converted \$130,000 of equity capital to a subordinated loan to the Company. The conversion was made pursuant to a sale of Company stock as discussed in Note 9.

The loan is payable at maturity on March 1, 2007, has a stated interest rate of 0%, and is subordinate in right of payment and subject to the prior payments or provision for payment in full of all claims of all other present and future creditors of the Company arising out of any matter occurring prior to maturity.

Because the stated interest rate is below market, interest has been imputed on the loan at 4%. Total interest expense imputed during 2005 and 2004 was \$5,200 and \$4,490, respectively.

NOTE 7: INCOME TAXES

The income tax benefit as of December 31, 2005 consisted of:

Current benefit:		
U.S. Federal	\$	0
State		<u>0</u>
		<u>0</u>
Deferred benefit:		
U.S. Federal		4,019
State		<u>1,241</u>
		<u>5,260</u>
Total	\$	<u><u>5,260</u></u>

The deferred tax benefit asset arose due to a \$26,796 net operating loss for income tax purposes, which can be carried forward to offset future taxable income. If unused, the loss carryover will expire in the year 2026.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 8: RETIREMENT PLANS

The Company adopted a "Savings Incentive Match Plan for Employees" (SIMPLE Plan), effective January 1, 1997, which covered all full-time employees. Eligible employees were eligible to make annual elective contributions of up to \$10,500 of compensation to the plan. The Company contributed matching contributions equal to the employee's elective contributions up to a limit of 3% of the employee's compensation for the calendar year. Employees were immediately 100% vested in all elective and Company contributions. The Company contribution to the plan for the year ended December 31, 2004 was \$3,466. The SIMPLE Plan was terminated effective January 1, 2005.

Due to the change in ownership discussed in Note 9, the Company may also make discretionary retirement plan contributions to the O'Brien Capital Management, Inc. Employee Stock Bonus Trust (the Trust) pursuant to an Employee Stock Ownership Plan (the Plan). Under the Plan, the Company may make contributions to the Trust of an amount not to exceed 25% of the compensation of eligible employees. Employees age 21 or older, with one year of service and working at least 1,000 hours during the year are eligible to participate. Contributions to the Trust are invested in the stock of OBW, Inc., the Company's majority stockholder. Employees vest in the contributions over a 7 year period. During 2004, the Company contributed \$8,801 to the Trust, which represented 3% of eligible employee compensation. No contributions were made to the Trust for 2005.

NOTE 9: CHANGE IN OWNERSHIP AND RELATED PARTY TRANSACTIONS

Effective February 20, 2004, the Company's stockholder (Seller) sold 47,900 shares of his stock to OBW, Inc., a Colorado corporation (Buyer). The shares constitute all but 100 shares of the issued and outstanding common stock of the Company, which will be retained by Seller. In anticipation of the sale, Seller received distributions of \$644,024 of cash and \$29,000 (estimated fair market value) of automobiles from the Company during January, 2004. An additional \$130,000 of Seller's equity in the Company was converted to a subordinated loan payable to Seller (see Note 6). Also, effective January 1, 2004, the Company assigned all of its rights and obligations under an asset

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 9: CHANGE IN OWNERSHIP AND RELATED PARTY TRANSACTIONS  
(CONTINUED)

sale and consulting agreement to another entity controlled by Seller.

OBW, Inc. and a related company, O'Brien Capital Management Inc. (OCM, Inc.), are both entirely owned by O'Brien Capital Management Employee Stock Bonus Trust (the Trust) under an Employee Stock Ownership Plan sponsored by both companies. During 2004, the Company made retirement plan contributions to the Trust (see Note 8), and the Company paid management fees totaling \$57,500 to OBW, Inc. During 2005, the Company made non-interest bearing advances to OBW, Inc. of \$11,949, and received non-interest bearing advances from OCM, Inc. totaling \$8,000.

OBW, Inc. and OCM, Inc. are operated out of the same offices as Gill and Associates, Inc. Both companies have minimal activity, and pay their own direct operating expenses. No occupancy expenses are charged to either company.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

NET CAPITAL	December 31,	
	<u>2005</u>	<u>2004</u>
Total stockholders' equity qualified for net capital	\$ 69,708	\$ 88,321
Add liability subordinated to claims of general creditors	130,000	130,000
Less non-allowable assets:		
Property and equipment	4,852	5,112
Prepaid expenses	4,052	4,052
Unsecured advances	11,949	-
Receivables	7,605	7,102
Other assets not readily convertible to cash	5,260	-
Refundable deposits	<u>2,259</u>	<u>2,259</u>
	<u>35,977</u>	<u>18,525</u>
NET CAPITAL	<u>\$ 163,731</u>	<u>\$ 199,796</u>
AGGREGATE INDEBTEDNESS		
Items included in statement of financial condition	<u>\$ 17,403</u>	<u>\$ 23,795</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
Minimum net capital required	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Excess net capital at 1500%	<u>\$ 63,731</u>	<u>\$ 99,796</u>
Excess net capital at 1000%	<u>\$ 161,991</u>	<u>\$ 197,416</u>
Ratio of aggregate indebtedness to net capital	<u>0.11 to 1</u>	<u>0.12 to 1</u>

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

SCHEDULE I (CONTINUED)

COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

	December 31,	
	<u>2005</u>	<u>2004</u>
RECONCILIATION WITH COMPANY'S COMPUTATION (Included in Part IIA, Form X-17A-5 as of December 31, 2005 and 2004, respectively)		
Net capital, as reported in Part IIA of the Company's unaudited FOCUS report as of December 31, 2005 and 2004, respectively	\$ 172,347	\$ 218,460
Net audit adjustments	11,973	(15,915)
Difference in computation of non- allowable assets	<u>(20,589)</u>	<u>(2,749)</u>
Net capital per above	<u>\$ 163,731</u>	<u>\$ 199,796</u>
Aggregate indebtedness, as reported in Part IIA of the Company's unaudited FOCUS report as of December 31, 2005 and 2004, respectively	\$ 8,817	\$ 5,132
Net audit adjustments	<u>8,586</u>	<u>18,663</u>
Aggregate indebtedness per above	<u>\$ 17,403</u>	<u>\$ 23,795</u>

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

SCHEDULE II

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2005 and 2004

The Company operates pursuant to the (k)(2)(ii) exemption provision of the Securities and Exchange Commission Rule 15c3-3 of the customer protection rules and no longer holds customer funds or securities. Therefore, there were no reserve requirements as of December 31, 2005 and 2004.

GILL AND ASSOCIATES, INC.  
(A SUBSIDIARY OF OBW, INC.)

SCHEDULE III

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2005 and 2004

The Company operates pursuant to the (k)(2)(ii) exemption provision of The Securities and Exchange Commission Rule 15c3-3 of the customer protection rules and no longer holds customer funds or securities. Therefore, there were no possession or control requirements as of December 31, 2005 and 2004.



Julie K. Affleck, CPA  
Richard L. Gilman, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
ACCOUNTING CONTROL REQUIRED BY SEC RULE 17A-5**

Board of Directors  
Gill and Associates, Inc.  
Denver, Colorado

In planning and performing our audits of the financial statements of Gill and Associates, Inc. (a subsidiary of OBW, Inc.) for the years ended December 31, 2005 and 2004, we considered its internal control structure, including procedures 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 the internal control structure.

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 Gill and Associates, Inc. (a subsidiary of OBW, Inc.) 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 security 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 an internal control structure 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 internal control structure policies and procedures, 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 an internal control structure 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 preparation of financial statements in conformity 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 any internal control structure or the practices and procedures referred to above, errors or irregularities 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 the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, including procedures 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, 2005 and 2004, to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

  
AFFLECK GILMAN & CO., P.C.  
Certified Public Accountants

Denver, Colorado  
February 14, 2006