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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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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 06/29/02 AND ENDING 06/27/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: May Financial Corporation
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1201 Elm Street, Suite 3500
(No. and Street)
Dallas, TX 75270
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Laura Leventhal 214/859-1026
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
PriceWaterhouseCoopers, LLP
(Name - if individual, state last, first, middle name)
2001 Ross Avenue, Suite 1800, Dallas, TX 75201-2997
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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FOR OFFICIAL USE ONLY THOMSON FINANCIAL

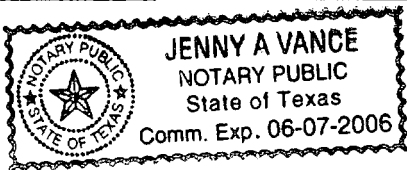
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02) 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.

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OATH OR AFFIRMATION

I, Frederick H. Benners, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of May Financial Corporation, as of June 27, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



[Signature]
Signature
Chief Executive Officer
Title

[Signature]
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 15c3-3 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).



May Financial Corporation

(A Wholly Owned Subsidiary of SWS Group, Inc.)

Financial Statements and Supplemental Schedules

Pursuant To Rule 17a-5 of the

Securities and Exchange Commission

For the Year Ended June 27, 2003

With Report of Independent Auditors

Report of Independent Auditors

To the Board of Directors and Stockholder of
May Financial Corporation

In our opinion, the accompanying statement of financial condition and the related statements of operations, stockholder's equity and cash flows present fairly, in all material respects, the financial position of May Financial Corporation (the "Company") (a wholly owned subsidiary of SWS Group, Inc.) at June 27, 2003, and the results of its operations and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedules I and II 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 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.

PricewaterhouseCoopers LLP

July 31, 2003

May Financial Corporation
(A Wholly Owned Subsidiary of SWS Group, Inc.)
Statement of Financial Condition
June 27, 2003

ASSETS

Cash and cash equivalents	\$ 101,137
Securities owned, at market value	1,907,179
Clearing deposit with affiliate	3,072,131
Other assets	<u>5,623,609</u>
Total assets	<u>\$ 10,704,056</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Payable to affiliate	\$ 2,927,291
Securities sold, not yet purchased, at market value	34,290
Other liabilities	<u>93,111</u>
Total liabilities	<u>3,054,692</u>
Stockholder's equity	
Common stock with \$.40 par value; authorized 1,000,000 shares issued and outstanding 61,456 shares	24,582
Additional paid in capital	14,000,000
Accumulated deficit	<u>(6,375,218)</u>
	<u>7,649,364</u>
Total liabilities and stockholders' equity	<u>\$ 10,704,056</u>

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

May Financial Corporation
(A Wholly Owned Subsidiary of SWS Group, Inc.)
Statement of Operations
Year Ended June 27, 2003

Revenues:	
Commissions	\$ 42,501
Interest	67,480
Net gains on principal transactions	3,986,712
Investment banking, advisory and administrative	11,306
Other	4,642
	<hr/>
	4,112,641
	<hr/>
Expenses:	
Commission and other employee compensation	2,184,817
Occupancy and equipment costs	786,972
Communications	2,228,925
Floor brokerage and clearing	103,996
Promotional expense	32,980
Other	126,447
	<hr/>
	5,464,137
	<hr/>
Loss before income taxes	(1,351,496)
Income tax benefit	(472,717)
	<hr/>
Net loss	\$ (878,779)
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The accompanying notes are an integral part of these financial statements.

May Financial Corporation
(A Wholly Owned Subsidiary of SWS Group, Inc.)
Statement of Changes in Stockholder's Equity
Year Ended June 27, 2003

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	
Balance at June 28, 2002	61,456	\$ 24,582	\$ 13,000,000	\$ (5,496,439)	\$ 7,528,143
Capital contribution	-	-	1,000,000	-	1,000,000
Net loss	-	-	-	(878,779)	(878,779)
Balance at June 27, 2003	61,456	\$ 24,582	\$ 14,000,000	\$ (6,375,218)	\$ 7,649,364

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

May Financial Corporation
 (A Wholly Owned Subsidiary of SWS Group, Inc.)
Statement of Cash Flows
Year Ended June 27, 2003

Cash flows from operating activities:	
Net loss	\$ (878,779)
Adjustments to reconcile net loss to net cash used in operating activities:	
Deferred tax expense	4,041,505
Changes in operating assets and liabilities:	
Clearing deposit with affiliate	(25,490)
Securities owned	(1,379,185)
Other assets	(2,961,927)
Securities sold, but not yet purchased	(391,390)
Payable to affiliate	624,510
Net cash used in operating activities	<u>(970,756)</u>
Cash flows from financing activities:	
Capital contributions	<u>1,000,000</u>
Net cash provided by financing activities	<u>1,000,000</u>
Net change in cash	29,244
Cash at beginning of year	<u>71,893</u>
Cash at end of year	<u>\$ 101,137</u>

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

May Financial Corporation

(A Wholly Owned Subsidiary of SWS Group, Inc.)

Notes to Financial Statements

1. Organization

May Financial Corporation ("Company") is a wholly owned subsidiary of SWS Group, Inc. ("Parent"). The Company is a registered broker/dealer in securities under the Securities Exchange Act of 1934 ("Act").

The Company is an NASD member broker/dealer that conducts trading operations as a principal for its own account. All the Company's transactions are cleared through an affiliated broker/dealer, Southwest Securities, Inc. ("SWS"), on a fully disclosed basis. Accordingly, the Company is exempt from Rule 15c3-3 under the Act under Section (k)(2)(ii) of this rule. SWS also provides accounting, administrative services, management services and office facilities to the Company. Additionally, SWS collects revenues and pays expenses on behalf of the Company. The net effect of these transactions is recorded in payable to affiliate on the statement of financial condition. Based on an agreement between SWS and the Company, SWS may charge a clearing fee for handling the Company's trades. There were no fees charged in 2003.

The annual financial statements are prepared as of the close of business on the last Friday of June. Accordingly, the fiscal period for 2003 ended on June 27, 2003.

The financial statements do not include a statement of changes in liabilities subordinated to the claims of general creditors as required under Rule 17a-5 of the Act since no such liabilities existed as of or during the fiscal year ended June 27, 2003.

2. Summary Of Significant Accounting Policies

Cash flow reporting

For purposes of the statement of cash flows, the Company considers cash to include cash on hand and in depository accounts.

Securities transactions

Marketable securities are valued at market value based on quoted market prices, and securities not readily marketable are valued at fair value as determined by management. Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled.

Securities Owned

At June 27, 2003, securities owned consisted of money market investments and marketable equity securities.

Fair value of financial instruments

Substantially all of the Company's financial assets and liabilities are carried at market value or at amounts which, because of their short-term nature, approximate current fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 these estimates.

May Financial Corporation
(A Wholly Owned Subsidiary of SWS Group, Inc.)
Notes to Financial Statements

3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital rule (15c3-1) which requires the maintenance of minimum net capital. At June 27, 2003, the Company had net capital of \$1,714,462 which is \$1,464,462 in excess of required net capital.

4. Income Taxes

The company files a consolidated Federal tax return with the Parent. For purposes of these financial statements, current income taxes are computed as if the Company filed a separate income tax return. At June 27, 2003 the income tax receivable included in other assets on the statement of financial condition is \$3,815,910.

Income tax benefit for the fiscal year ended June 27, 2003, (effective rate 35% in 2003) does not differ from the amount that would otherwise have been calculated by applying the U.S. Federal corporate tax rate (35% in 2003) to loss before income taxes.

Income taxes as set forth in the statement of operations consist of the following components:

Current	\$ (4,514,222)
Deferred	<u>4,041,505</u>
Income tax benefit	<u>\$ (472,717)</u>

The tax effect of temporary differences for the provision for bad debts gave rise to a significant portion of the deferred tax asset. The deferred tax asset, which is included in other assets was \$426,996 at June 27, 2003.

As a result of the Parent's history of taxable income and the nature of the items from which deferred tax assets are derived, management believes that it is more likely than not that the Company will realize the benefit of the deferred tax assets.

5. Financial Instruments with Off-Balance-Sheet Risk

The Company clears all of its securities transactions through a clearing broker on a fully disclosed basis. Accordingly, substantially all of the Company's credit exposures are concentrated with the clearing broker. The clearing broker can rehypothecate the securities held. Additionally, pursuant to the terms of the agreement between the Company and the clearing broker, the clearing broker has the right to charge the Company for losses that result from a counterparty's failure to fulfill its obligations.

In addition, the Company has sold securities that it does not currently own and will therefore be obligated to purchase such securities at a future date. The Company has recorded these obligations in the financial statements at June 27, 2003, at market values of the related securities and will incur a loss if the market value of the securities increases subsequent to June 27, 2003.

May Financial Corporation

(A Wholly Owned Subsidiary of SWS Group, Inc.)

Schedule I - Computation of Net Capital pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934

June 27, 2003

Total stockholder's equity from the statement of financial condition		\$ 7,649,364
Deductions and/or charges - nonallowable assets		
Securities not readily marketable	(190,916)	
Other assets	<u>(5,623,609)</u>	<u>(5,814,525)</u>
Net capital before haircuts		1,834,839
Haircuts on securities positions		<u>(120,377)</u>
Net capital		1,714,462
Net capital requirement		<u>250,000</u>
Excess net capital		<u>\$ 1,464,462</u>

Note: The above computation does not differ materially from the computation of net capital under Rule 15c3-1 as of June 27, 2003 filed by the Company with the National Association of Securities Dealers, Inc. on July 23, 2003.

May Financial Corporation

(A Wholly Owned Subsidiary of SWS Group, Inc.)

Schedule II - Computation for Determination of Reserve Requirements

Under Rule 15c3-3 of the Securities Exchange Act of 1934

June 27, 2003

The Company claims exemption from SEC Rule 15c3-3 under paragraph (k)(2)(ii) of that Rule.

**Independent Auditors Report on Internal Control Required
By SEC Rule 17a-5**

To the Board of Directors of
May Financial Corporation

In planning and performing our audit of the financial statements and supplemental schedules of May Financial Corporation (the "Company") (a wholly owned subsidiary of SWS Group, Inc.) for the fiscal year ended June 27, 2003, 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 the 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 compliance with such practices and procedures, that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
2. 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 the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;
2. 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; and
3. 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 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 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 accounting principles generally accepted in the United States of America. 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, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that controls 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 one or more 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 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 June 27, 2003 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc. 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.

PriceWaterhouseCoopers LLP

July 31, 2003