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SECURITIES A  
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 Washington, D.C. 20549

SEC FILE NUMBER
8-18811

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

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

REPORT FOR THE PERIOD BEGINNING JULY 1, 2002 AND ENDING JUNE 30, 2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

R.W. ELLWOOD & CO., INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

20 EXCHANGE PLACE

(No. and Street)

NEW YORK

NY

10005

(City)

(State)

(Zip Code)

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

ROBERT J. ELLWOOD

(212) 425 8360

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

SANFORD BECKER & CO., PC

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

1430 BROADWAY 6TH FLOOR

NEW YORK

NY

10018

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

**PROCESSED**  
 SEP 05 2003

FOR OFFICIAL USE ONLY	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).

OATH OR AFFIRMATION

I, ROBERT J. ELLWOOD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of R.W. ELLWOOD & CO., INC., as of JUNE 30, 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:

Three horizontal lines for listing exceptions to the oath.

Signature line with a handwritten signature and the title 'ROBERT J. ELLWOOD, PRESIDENT'.

Notary Public stamp for Raymond J. O'Sullivan, State of New York, No. 60-4744530, Qualified in Westchester County, Commission Expires Aug. 31, 2005.

This report\*\* contains (check all applicable boxes):

- Checklist of report contents: (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..., (f) Statement of Changes in Liabilities..., (g) Computation of Net Capital, (h) Computation for Determination of Reserve Requirements..., (i) Information Relating to the Possession or control Requirements..., (j) A Reconciliation, including appropriate explanation..., (k) A Reconciliation between the audited and unaudited Statements..., (l) An Oath or Affirmation, (m) A copy of the SIPC Supplemental Report, (n) A report describing any material inadequacies...

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FORM-  
X-17A-5**

**FOCUS REPORT**

OMB No. 3235-0123  
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART IIA** 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
4) Special request by designated examining authority  19      5) Other  25

NAME OF BROKER-DEALER

R. W. ELLWOOD & CO., INC.

SEC FILE NO.

8-18811 14

FIRM ID. NO.

007021 15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

20 EXCHANGE PLACE 13

(No. and Street)

FOR PERIOD BEGINNING (MM/CO/YY)

JULY 1, 2002 24

AND ENDING (MM/DD/YY)

JUNE 30 2003 25

NEW YORK 21

(City)

NY 22

(State)

10005 23

(Zip Code)

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

ROBERT J. ELLWOOD 30

(Area Code)—Telephone No.

(212) 425-8360 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

34

36

38

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Manual signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:(a))

WORKING COPY

R. W. ELLWOOD & CO., INC.

JUNE 30, 2003

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SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
R.W. Ellwood & Co., Inc.

We have audited the accompanying statement of financial condition of R.W. Ellwood & Co., Inc. as of June 30, 2003 and the related statements of income, changes in stockholders' 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 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 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 R.W. Ellwood & Co., Inc. as of June 30, 2003 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules listed on the accompanying index 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 and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, New York  
July 25, 2003



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

**BROKER OR DEALER**

R.W. ELLWOOD & CO., INC.

**N 2**

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**STATEMENT OF FINANCIAL CONDITION**

As of (MM/DD/YY) **JUNE 30, 2003**

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SEC FILE NO. **8 18811**

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Consolidated  19  
Unconsolidated  19

**ASSETS**

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
1. Cash .....	\$ 67,322		\$ 67,322
2. Cash segregated in compliance with federal and other regulations .....	210		210
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements" .....	220		
2. Other .....	230		450
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements" .....	240		
2. Other .....	250		490
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	260		
2. Other .....	270		530
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	280		
2. Other .....	152,644		152,644
E. Other .....	300	550	850
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts .....	310		
2. Partly secured accounts .....	320	560	
3. Unsecured accounts .....		570	
B. Commodity accounts .....	330	580	
C. Allowance for doubtful accounts .....	( 335 )	( 590 )	
5. Receivables from non-customers:			
A. Cash and fully secured accounts .....	340		
B. Partly secured and unsecured accounts .....	350	600	
6. Securities purchased under agreements to resell .....	360	605	
7. Securities and spot commodities owned, at market value:			
A. Bankers acceptances, certificates of deposit and commercial paper .....	370		
B. U.S. and Canadian government obligations .....	199,588	380	
C. State and municipal government obligations .....	390		
D. Corporate obligations .....	400		

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SEE NOTES TO FINANCIAL STATEMENTS

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

**BROKER OR DEALER** R.W. ELLWOOD & CO., INC.

as of JUNE 30, 2003

**STATEMENT OF FINANCIAL CONDITION**

**ASSETS**

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants	410		
F. Options	420		
G. Arbitrage	422		
H. Other securities	424		
I. Spot commodities	430		
			\$ 199,588
8. Securities owned not readily marketable:			
A. At Cost	130		
B. At estimated fair value	440	610	86
9. Other investments not readily marketable:			
A. At Cost	140		
B. At estimated fair value	450	620	87
10. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities	150		
B. Other	160	460	630
11. Secured demand notes- market value of collateral:			
A. Exempted securities	170		
B. Other	180	470	640
12. Memberships in exchanges:			
A. Owned, at market value	190		
B. Owned at cost		650	
C. Contributed for use of company, at market value		660	90
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	9
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization)	490	17,568	680
15. Other Assets:			
A. Dividends and interest receivable	500	690	
B. Free shipments	510	700	
C. Loans and advances	520	105,870	710
D. Miscellaneous	145,000	21,230	720
16. TOTAL ASSETS	\$ 564,554	\$ 144,668	\$ 709,222

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

**BROKER OR DEALER**

**R.W. ELLWOOD & CO., INC.**

as of JUNE 30, 2003

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 1460
B. Other .....	1040	1250	1470
18. Securities sold under repurchase agreements ..		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1490
2. Other .....	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		1510
2. Other .....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		155
2. Other .....	1105	1310	156
E. Other .....	1110	1320	157
20. Payable to customers:			
A. Securities accounts -including free credits of ..... \$ 950	1120		158
B. Commodities accounts .....	1130	1330	159
21. Payable to non-customers:			
A. Securities accounts .....	1140	1340	160
B. Commodities accounts .....	1150	1350	161
22. Securities sold not yet purchased at market value - including arbitrage of ..... \$ 960		1360	162
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		163
B. Accounts payable .....	41,000	1170	41,000
C. Income taxes payable .....	1180		164
D. Deferred income taxes .....		1370	165
E. Accrued expenses and other liabilities .....	1190		166
F. Other .....	1200	1380	167

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\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.



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

**BROKER OR DEALER** R.W. ELLWOOD & CO., INC.

as of JUNE 30, 2003

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY (continued)**

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
24. Notes and mortgages payable:			
A. Unsecured .....	\$ <span style="border: 1px solid black; padding: 2px;">1210</span>		\$ <span style="border: 1px solid black; padding: 2px;">1690</span>
B. Secured .....	\$ <span style="border: 1px solid black; padding: 2px;">1211</span>	\$ <span style="border: 1px solid black; padding: 2px;">1390</span>	\$ <span style="border: 1px solid black; padding: 2px;">170</span>
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings .....		<span style="border: 1px solid black; padding: 2px;">1400</span>	<span style="border: 1px solid black; padding: 2px;">171</span>
1. from outsiders <sup>24</sup> \$ <span style="border: 1px solid black; padding: 2px;">970</span>			
2. Includes equity subordination (15c3-1 (d)) of ..... \$ <span style="border: 1px solid black; padding: 2px;">980</span>			
B. Securities borrowings, at market value;		<span style="border: 1px solid black; padding: 2px;">1410</span>	<span style="border: 1px solid black; padding: 2px;">172</span>
from outsiders \$ <span style="border: 1px solid black; padding: 2px;">990</span>			
C. Pursuant to secured demand note collateral agreements; .....		<span style="border: 1px solid black; padding: 2px;">1420</span>	<span style="border: 1px solid black; padding: 2px;">173</span>
1. from outsiders \$ <span style="border: 1px solid black; padding: 2px;">1000</span>			
2. Includes equity subordination (15c3-1 (d)) of ..... \$ <span style="border: 1px solid black; padding: 2px;">1010</span>			
D. Exchange memberships contributed for use of company at market value .....		<span style="border: 1px solid black; padding: 2px;">1430</span>	<span style="border: 1px solid black; padding: 2px;">174</span>
E. Accounts and other borrowings not qualified for net capital purposes .....	<span style="border: 1px solid black; padding: 2px;">1220</span>	<span style="border: 1px solid black; padding: 2px;">1440</span>	<span style="border: 1px solid black; padding: 2px;">175</span>
26. <b>TOTAL LIABILITIES</b> .....	\$ <span style="border: 1px solid black; padding: 2px;">41,000</span> <span style="border: 1px solid black; padding: 2px;">1230</span>	\$ <span style="border: 1px solid black; padding: 2px;">1450</span>	\$ <span style="border: 1px solid black; padding: 2px;">41,000</span> <span style="border: 1px solid black; padding: 2px;">176</span>
 <b><u>Ownership Equity</u></b>			
27. Sole proprietorship .....			\$ <span style="border: 1px solid black; padding: 2px;">17</span>
28. Partnership- limited partners ..... \$ <span style="border: 1px solid black; padding: 2px;">41,000</span> <span style="border: 1px solid black; padding: 2px;">1020</span> .....			<span style="border: 1px solid black; padding: 2px;">17</span>
29. Corporation:			
A. Preferred stock .....			<span style="border: 1px solid black; padding: 2px;">17</span>
B. Common stock .....		<span style="border: 1px solid black; padding: 2px;">58,473</span>	<span style="border: 1px solid black; padding: 2px;">17</span>
C. Additional paid-in capital .....			<span style="border: 1px solid black; padding: 2px;">17</span>
D. Retained earnings .....		<span style="border: 1px solid black; padding: 2px;">609,749</span>	<span style="border: 1px solid black; padding: 2px;">17</span>
E. Total .....		<span style="border: 1px solid black; padding: 2px;">668,222</span>	<span style="border: 1px solid black; padding: 2px;">17</span>
F. Less capital stock in treasury .....			<span style="border: 1px solid black; padding: 2px;">17</span>
30. <b>TOTAL OWNERSHIP EQUITY</b> .....			\$ <span style="border: 1px solid black; padding: 2px;">668,222</span> <span style="border: 1px solid black; padding: 2px;">18</span>
31. <b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b> .....			\$ <span style="border: 1px solid black; padding: 2px;">709,222</span> <span style="border: 1px solid black; padding: 2px;">18</span>

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\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

R.W. ELLWOOD & CO., INC.  
STATEMENT OF EARNINGS  
YEAR ENDED JUNE 30, 2003

REVENUE

Commissions	1,146,497
Interest	3,179
	<u>1,149,676</u>

EXPENSES

Employee Compensation & Benefits	678,896
Communications	59,965
Occupancy and Equipment Rental	88,513
Promotional Costs	27,603
Taxes	4,662
Clearing Costs	35,404
Regulatory Fees	6,174
Other Operating Expenses	241,746
	<u>1,142,963</u>
Net Income Before Provision for Federal Income Tax	6,713
Provision for Federal Income Tax	2,611
Net Income	<u>4,102</u>

R.W. ELLWOOD & CO., INC.  
 STATEMENT OF STOCKHOLDERS' EQUITY  
 YEAR ENDED JUNE 30, 2003

	<u>COMMON STOCK</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
<u>BALANCE</u> at July 1, 2002	58,473	601,176	659,649
Net Income		4,102	4,102
Refund - Federal Income Tax For Year Ended June 30, 1996		4,471	4,471
<u>Balance</u> at June 30, 2003	58,473	609,749	668,222

R.W. ELLWOOD & CO., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2003  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:	
Net Income	4,102
Adjustments to Reconcile Net Loss to Net Cash	
Refund Federal Income Tax	4,471
Provided by Operating Activities:	
Depreciation and Amortization	3,050
Decrease in Receivable from Brokers or Dealers and Clearing Organizations:	244,644
Decrease in Payable to Broker or Dealers and Clearing Organizations:	(117,800)
Decrease in Accounts Payable and Accrued Expenses Payable:	(31,000)
Increase in Other Assets:	(41,523)
Total Adjustments	<u>61,842</u>
Net Cash Used For Operating Activities	65,944
Cash Flows From Investing Activities:	
Increase in Securities Owned	(438)
Net Cash Used for Investing Activities	<u>(438)</u>
Net Increase in Cash and Cash Equivalents	65,506
Cash and Cash Equivalents at Beginning of Year	<u>1,816</u>
Cash and Cash Equivalents at End of Year	<u><u>67,322</u></u>

R. W. ELLWOOD & CO., INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2003

(1) Summary of Significant Accounting Policies:

- (a) Accounting for securities transactions is on a settlement date basis (Normally three business days after trade date).
- (b) Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using accelerated methods over the estimated useful lives of the related assets.
- (c) In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market value (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for customer and counter party with which it conducts business. R.W. Ellwood & Co., Inc does not do business in foreign currency, futures or forward contracts.
- (d) The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (e) The company is obligated under a noncancelable operating lease for its office premises expiring September 30, 2005. Total remaining obligations under this lease amount to \$101,895.98.

(2) Capital Stock:

Capital Stock consists of the following:

Common Stock without par value  
Authorized 1, 000 Shares  
Issued and outstanding, 556 Shares

(3) Net Capital Requirement:

The Company registration with the Securities & Exchange Commission became effective February 2, 1976.

As a registered Broker-Dealer, R.W. Ellwood & Co., Inc. is subject to Rule 15c3-1 of the Securities & Exchange Commission which specifies uniform minimum net capital requirements for its registrants. At June 30, 2003 R.W. Ellwood & Co., Inc. had net capital of \$523,554 which exceeded requirements by \$373,554 the percentage of aggregate indebtedness to net capital as of June 30, 2003 was 7.8%. At all times during the year, R.W. Ellwood & Co., Inc. was in compliance with the net capital rules.

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

**BROKER OR DEALER**      R.W. ELLWOOD & CO., INC.

as of JUNE 30, 2003

**COMPUTATION OF NET CAPITAL**

<p>1. Total ownership equity (from Statement of Financial Condition – Item 1800).....</p> <p>2. Deduct: Ownership equity not allowable for net capital .....</p> <p>3. Total ownership equity qualified for net capital.....</p> <p>4. Add:</p> <p style="padding-left: 20px;">A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....</p> <p style="padding-left: 20px;">B. Other (deductions) or allowable credits (List).....</p> <p>5. Total capital and allowable subordinated liabilities.....</p> <p>6. Deductions and/or charges:</p> <p style="padding-left: 20px;">A. Total non-allowable assets from</p> <p style="padding-left: 40px;">Statement of Financial Condition (Note B and C) .....</p> <p style="padding-left: 60px;">1. Additional charges for customers' and non-customers' security accounts .....</p> <p style="padding-left: 60px;">2. Additional charges for customers' and non-customers' commodity accounts .....</p> <p style="padding-left: 20px;">B. Aged fail-to-deliver: .....</p> <p style="padding-left: 40px;">1. Number of items .....</p> <p style="padding-left: 20px;">C. Aged short security differences-less reserve of .....</p> <p style="padding-left: 40px;">number of items .....</p> <p style="padding-left: 20px;">D. Secured demand note deficiency .....</p> <p style="padding-left: 20px;">E. Commodity futures contracts and spot commodities – proprietary capital charges .....</p> <p style="padding-left: 20px;">F. Other deductions and/or charges .....</p> <p style="padding-left: 20px;">G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) .....</p> <p style="padding-left: 20px;">H. Total deductions and/or charges .....</p> <p>7. Other additions and/or allowable credits (List).....</p> <p>8. Net Capital before haircuts on securities positions .....</p> <p>9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1 (f) ):</p> <p style="padding-left: 20px;">A. Contractual securities commitments .....</p> <p style="padding-left: 20px;">B. Subordinated securities borrowings .....</p> <p style="padding-left: 20px;">C. Trading and Investment securities:</p> <p style="padding-left: 40px;">1. Bankers' acceptances, certificates of deposit and commercial paper .....</p> <p style="padding-left: 40px;">2. U.S. and Canadian government obligations .....</p> <p style="padding-left: 40px;">3. State and municipal government obligations .....</p> <p style="padding-left: 40px;">4. Corporate obligations .....</p> <p style="padding-left: 40px;">5. Stocks and warrants .....</p> <p style="padding-left: 40px;">6. Options .....</p> <p style="padding-left: 40px;">7. Arbitrage .....</p> <p style="padding-left: 40px;">8. Other securities .....</p> <p style="padding-left: 20px;">D. Undue concentration.....</p> <p style="padding-left: 20px;">E. Other (list).....</p> <p>10. Net Capital.....</p>	<table border="0" style="width:100%; border-collapse: collapse;"> <tr><td>\$</td><td>668,222</td><td>348</td></tr> <tr><td>(</td><td></td><td>) 349</td></tr> <tr><td></td><td>668,222</td><td>350</td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td>352</td></tr> <tr><td></td><td></td><td>352</td></tr> <tr><td>\$</td><td>668,222</td><td>353</td></tr> <tr><td></td><td></td><td></td></tr> <tr><td>\$</td><td>144,668</td><td>3540</td></tr> <tr><td></td><td></td><td>3550</td></tr> <tr><td></td><td></td><td>3560</td></tr> <tr><td></td><td></td><td>3570</td></tr> <tr><td></td><td></td><td>3450</td></tr> <tr><td>\$</td><td>3460</td><td>3580</td></tr> <tr><td></td><td>3470</td><td></td></tr> <tr><td></td><td></td><td>3590</td></tr> <tr><td></td><td></td><td>3600</td></tr> <tr><td></td><td></td><td>3610</td></tr> <tr><td></td><td></td><td>3615</td></tr> <tr><td></td><td>144,668</td><td></td></tr> <tr><td>\$</td><td>523,554</td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td>3660</td></tr> <tr><td></td><td></td><td>3670</td></tr> <tr><td></td><td></td><td>3680</td></tr> <tr><td></td><td></td><td>3690</td></tr> <tr><td></td><td></td><td>3700</td></tr> <tr><td></td><td></td><td>3710</td></tr> <tr><td></td><td></td><td>3720</td></tr> <tr><td></td><td></td><td>3730</td></tr> <tr><td></td><td></td><td>3732</td></tr> <tr><td></td><td></td><td>3734</td></tr> <tr><td></td><td></td><td>3650</td></tr> <tr><td></td><td></td><td>3736</td></tr> <tr><td>\$</td><td>523,554</td><td></td></tr> </table>	\$	668,222	348	(		) 349		668,222	350						352			352	\$	668,222	353				\$	144,668	3540			3550			3560			3570			3450	\$	3460	3580		3470				3590			3600			3610			3615		144,668		\$	523,554							3660			3670			3680			3690			3700			3710			3720			3730			3732			3734			3650			3736	\$	523,554	
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER** R.W. ELLWOOD & CO., INC.

as of JUNE 30, 2003

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19) .....	\$	2,734	375
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	150,000	375
13. Net capital requirement (greater of line 11 or 12) .....	\$	150,000	378
14. Excess net capital (line 10 less 13) .....	\$	373,554	377
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$		378

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	41,000	379
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	38
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (vii)) .....	\$	41,000	38
19. Total aggregate indebtedness .....	\$	.078%	38
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....	%		38
21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 ÷ by line 10 less Item 4880 page 11) .....	%		38

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 4% 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 .....	\$	N/A	39
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3
24. Net capital requirement (greater of line 22 or 23) .....	\$		3
25. Excess net capital (line 10 less 24) .....	\$		3
26. Percentage of Net Capital to Aggregate Debts (line 10 ÷ by line 17 page 8) .....	%		3
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debts (line 10 less Item 4880 page 11 ÷ by line 17 page 8) .....	%		3
28. Net capital in excess of the greater of:			
A. 6% of combined aggregate debit items or \$120,000 .....	\$		3
B. 7% of combined aggregate debit items or \$120,000 .....	\$		3

**OTHER RATIOS**

**Part C**

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) .....	%		4
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital .....	%		4

**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 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes 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.



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

BROKER OR DEALER **R.W. ELLWOOD & CO., INC.**

as of JUNE 30, 2003

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**  
**FOR BROKER-DEALERS UNDER RULE 15c3-3**  
**(See Rule 15c3-3, Exhibit A and Related Notes)**

**CREDIT BALANCES**

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3) .....	T \$	4340	
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B) .....		4350	
3. Monies payable against customers' securities loaned (see Note C) .....		4360	
4. Customers' securities failed to receive (see Note D) .....		4370	
5. Credit balances in firm accounts which are attributable to principal sales to customers .....		4380	
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days .....		4390	
7. **Market value of short security count differences over 30 calendar days old .....		4400	
8. **Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days .....	T	4410	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days .....		4420	
10. Other (List) .....		4425	
11. TOTAL CREDITS .....	\$		4430

NOT  
APPLICABLE

**DEBIT BALANCES**

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3 .....	\$	4440	
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver .....		4450	
14. Failed to deliver of customers' securities not older than 30 calendar days .....		4460	
15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (See Note F) .....		4465	
16. Other (List) .....	T	4469	
17. **Aggregate debit items .....	\$		4470
18. **less 3% (for alternative method only — see Rule 15c3-1 (f) (5) (ii)) .....	(		4471
19. ***TOTAL 15c3-3 DEBITS .....	\$		4472

**RESERVE COMPUTATION**

20. Excess of total debits over total credits (line 19 less line 11) .....	T \$	4480
21. Excess of total credits over total debits (line 11 less line 19) .....		4490
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits .....		4500
23. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period .....		4510
24. Amount of deposit (or withdrawal) including \$ <u>4515</u> value of qualified securities .....		4520
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ <u>4525</u> value of qualified securities .....	\$	4530
26. Date of deposit (MMDDYY) .....		4540

OMIT PENNIE

**FREQUENCY OF COMPUTATION**

27. Daily 4332 Weekly 4333 Monthly 4334

\*\*In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

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

**BROKER OR DEALER R. W. ELLWOOD & CO., INC.**

as of JUNE 30, 2003

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)**

**EXEMPTIVE PROVISIONS**

28. 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 .....	NOT APPLICABLE	455
B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained .....		456
C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <input type="checkbox"/> <u>4335</u>		457
D. (k) (3)—Exempted by order of the Commission .....		458

**Information for Possession or Control Requirements Under Rule 15c3-3**

State the market valuation and the number of items of:

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. Notes A and B .....	\$	451
A. Number of Items .....		451
2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B, C and D .....	\$	451
A. Number of Items .....	11	451
OMIT PENN		
3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 .....	Yes <input checked="" type="checkbox"/> <u>4584</u>	No <input type="checkbox"/> <u>45</u>

**NOTES**

- A—Do not include in item one customers' fully paid and excess margin securities required by Rule 15c 3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent within the time frames specified under Rule 15c3-3.
- B—State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C—Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D—Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

R.W. ELLWOOD & CO., INC.  
RECONCILIATION BETWEEN AUDITED AND UNAUDITED  
STATEMENTS OF FINANCIAL CONDITION  
JUNE 30, 2003

Unaudited Total Ownership Equity - June 30, 2003	\$ 703,073
Audit Adjustments:	
Year Ended Accruals - Depreciation and Expense Accruals	<u>(34,851)</u>
Audited Total Ownership Equity - June 30, 2003	<u><u>\$ 668,222</u></u>

SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT ON INTERNAL CONTROL

Board of Directors  
R.W. Ellwood & Co., Inc.

In planning and performing our audit of the financial statements of R.W. Ellwood & Co., Inc., for the year ended June 30, 2003, 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, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by R.W. Ellwood & Co., Inc., that we considered relevant to the objectives stated in rule 17A-5 (g), (i) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17A-3 (a) (ii) and the reserve required by rule 15C3-3(e); (2) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17A-13; (3) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) in 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 an internal control structure and practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements 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 commission'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 and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with general accepted accounting principals. Rule 17A-5 (g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

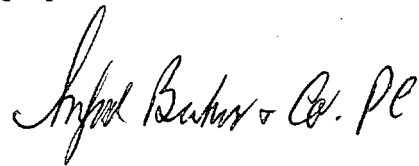
Because of inherent limitations in an internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes 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 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 Commission 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 indicated 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 30, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which rely on Rule 17A-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

New York, New York,  
July 25, 2003

A handwritten signature in cursive script that reads "Arthur Becker & Co. PC". The signature is written in dark ink and is positioned to the right of the date and location text.