

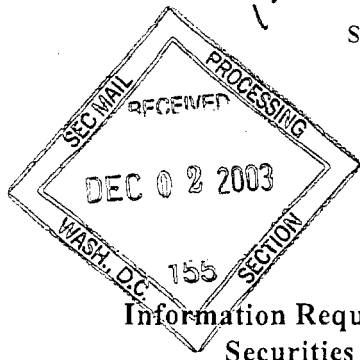


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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

8-30212

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response..... 12.00



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

SEC FILE NUMBER  
8- ~~4488~~

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 October 1, 2002 AND ENDING September 30, 2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
PENSION PLANNERS SECURITIES, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
9700 BUSINESS PARK DRIVE, SUITE 102

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

SACRAMENTO

CA

95827

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
JON NEUBERT (916) 362-4107

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

GREG MICHAEL LANG

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

335 33rd STREET

SACRAMENTO

CA

95816

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED  
DEC 23 2003

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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)

0812-18

OATH OR AFFIRMATION

I, JON NEUBERT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PENSION PLANNERS SECURITIES, INC., as of SEPTEMBER 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:



Judi RUA  
Notary Public

[Signature]  
Signature  
PRESIDENT  
Title

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).

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2005
Estimated average burden hours per response.....	12.00

Form  
X-17A-5

**FOCUS REPORT**  
(Financial and Operational Combined Uniform Single Report)  
**PART IIA** 12

(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  26

NAME OF BROKER-DEALER

SEC FILE NO.

PENSION PLANNERS SECURITIES, INC. 13

8-14068 14

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

FIRM I.D. NO.

9700 BUSINESS PARK DRIVE, SUITE 102 20

68-0107040 15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

SACRAMENTO 21

CA 22

95827 23

OCTOBER 1, 2002 24

(City)

(State)

(Zip Code)

AND ENDING (MM/DD/YY)

SEPTEMBER 30, 2002 25

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

(Area Code) — Telephone No.

JON NEUBERT 30

(916) 362-4107 31

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

OFFICIAL USE

32

33

34

35

36

37

38

39

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


CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

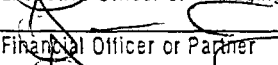
**EXECUTION:**

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 25th day of NOVEMBER 2003

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:f(a))

Persons who 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.

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

**LANG, GREG MICHAEL**

70

ADDRESS

**335 33rd STREET**

Number and Street

71

**SACRAMENTO**

City

72

**CA**

State

73

**95816**

Zip Code

74

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

FOR SEC USE

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER PENSION PLANNERS SECURITIES, INC.	N3			100
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### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) **SEPTEMBER 30, 2003** 99  
 SEC FILE NO. **8-14068** 98  
 Consolidated 198  
 Unconsolidated 199

	Allowable		Non-Allowable		Total
1. Cash .....	\$ 126,567	200			\$ 126,567 750
2. Receivables from brokers or dealers:					
A. Clearance account .....		295			
B. Other .....		300	\$ 550		810
3. Receivable from non-customers .....		355	600		955
4. Securities and spot commodities owned at market value:					
A. Exempted securities .....		418			
B. Debt securities .....		419			
C. Options .....		420			
D. Other securities .....	81,062	424			81,486
E. Spot commodities .....		430			850
5. Securities and/or other investments not readily marketable:					
A. At cost \$ .....		130			
B. At estimated fair value .....		440	610		1,050
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$ .....		150			
B. Other securities \$ .....		160			
7. Secured demand notes: Market value of collateral:					
A. Exempted securities \$ .....		170			
B. Other securities \$ .....		180			
8. Memberships in exchanges:					
A. Owned, at market \$ .....		190			
B. Owned, at cost .....			650		
C. Contributed for use of the company, at market value .....			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....		480	670		1,150
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....		490	680		1,170
11. Other assets <b>12B1</b> .....	20,075	535	20,074	735	40,149 930
12. TOTAL ASSETS .....	\$ 227,704	540	\$ 20,074	740	\$ 247,778 940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

PENSION PLANNERS SECURITIES, INC.

as of 09/30/03

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

#### LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	A.I. <u>Liabilities</u>	Non-A.I. <u>Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ <u>1045</u>	\$ <u>1255</u> <sup>13</sup>	\$ <u>1470</u>
14. Payable to brokers or dealers:			
A. Clearance account .....	<u>1114</u>	<u>1315</u>	<u>1560</u>
B. Other .....	<sup>10</sup> <u>1115</u>	<u>1305</u>	<u>1540</u>
15. Payable to non-customers .....	<u>1155</u>	<u>1355</u>	<u>1610</u>
16. Securities sold not yet purchased, at market value .....		<u>1360</u>	<u>1620</u>
17. Accounts payable, accrued liabilities, expenses and other .....	<u>167,076</u>	<u>1385</u>	<u>167,076</u>
18. Notes and mortgages payable:			
A. Unsecured .....	<u>1210</u>		<u>1690</u>
B. Secured .....	<u>1211</u> <sup>12</sup>	<u>1390</u> <sup>14</sup>	<u>1700</u>
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders <sup>3</sup> \$ <u>970</u>		<u>1400</u>	<u>1710</u>
2. includes equity subordination (15c3-1(d)) of ... \$ <u>980</u>			
B. Securities borrowings, at market value from outsiders \$ <u>990</u>		<u>1410</u>	<u>1720</u>
C. Pursuant to secured demand note collateral agreements		<u>1420</u>	<u>1730</u>
1. from outsiders \$ <u>1000</u>			
2. includes equity subordination (15c3-1(d)) of ... \$ <u>1010</u>			
D. Exchange memberships contributed for use of company, at market value .....		<u>1430</u>	<u>1740</u>
E. Accounts and other borrowings not qualified for net capital purposes .....	<u>1220</u>	<u>1440</u>	<u>1750</u>
20. TOTAL LIABILITIES .....	\$ <u>167,076</u> <u>1230</u>	\$ <u>1450</u>	\$ <u>167,076</u> <u>1760</u>
<u>Ownership Equity</u>			
21. Sole Proprietorship .....			<sup>15</sup> \$ <u>1770</u>
22. Partnership (limited partners) .....	<sup>11</sup> (\$ <u>1020</u> )		<u>1780</u>
23. Corporation:			
A. Preferred stock .....			<u>1791</u>
B. Common stock .....		<u>8,800</u>	<u>1792</u>
C. Additional paid-in capital .....			<u>1793</u>
D. Retained earnings .....		<u>71,902</u>	<u>1794</u>
E. Total .....		<u>80,702</u>	<u>1795</u>
F. Less capital stock in treasury .....		<sup>16</sup> ( <u>1796</u> )	<u>1800</u>
24. TOTAL OWNERSHIP EQUITY .....			\$ <u>80,702</u> <u>1800</u>
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ <u>247,778</u> <u>1810</u>

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER    PENSION PLANNERS SECURITIES, INC.

For the period (MMDDYY) from 10/01/02 to 9/30/03 3933  
 Number of months included in this statement    12    3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$		3935
b. Commissions on listed option transactions .....	25		3938
c. All other securities commissions .....		140,577	3939
d. Total securities commissions .....		140,577	3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange .....			3945
b. From all other trading .....			3949
c. Total gain (loss) .....			3950
3. Gains or losses on firm securities investment accounts <u>Loss on Securities</u> .....		(17,367)	3952
4. Profit (loss) from underwriting and selling groups .....			3955
5. Revenue from sale of investment company shares .....	26	5,524,282	3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....		197,818	3975
8. Other revenue <u>Interest and Expense Reimbursement and</u> .....		146,876	3995
9. Total revenue <u>Miscellaneous Income</u> .....		\$ 5,992,186	4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....			
11. Other employee compensation and benefits .....		607,253	4120
12. Commissions paid to other broker-dealers .....		4,886,116	4115
13. Interest expense .....			4140
a. Includes interest on accounts subject to subordination agreements .....		4070	
14. Regulatory fees and expenses .....			4195
15. Other expenses <u>Includes State Income Tax of \$2,799 and</u> .....		491,990	4100
16. Total expenses <u>Federal Income Tax of \$4,394</u> .....		\$ 5,985,359	4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....			
18. Provision for Federal income taxes (for parent only) .....		6,827	4210
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4220
a. After Federal income taxes of .....		4338	
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....		\$ 6,827	4230

#### MONTHLY INCOME

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

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

BROKER OR DEALER

**PENSION PLANNERS SECURITIES, INC.**

For the period (MMDDYY) from 10/01/02 to 9/30/03

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

1. Balance, beginning of period .....	\$	73,875	4240
A. Net income (loss) .....		6,827	4250
B. Additions (Includes non-conforming capital of .....	%	S 4262	4260
C. Deductions (Includes non-conforming capital of .....	%	S 4272	4270
2. Balance, end of period (From item 1800) .....	\$	80,702	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period .....	%	S NONE	4300
A. Increases .....		NONE	4310
B. Decreases .....		NONE	4320
4. Balance, end of period (From item 3520) .....	\$	NONE	4330

OMIT PENNIES



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

BROKER OR DEALER

as of 9/30/03

**PENSION PLANNERS SECURITIES, INC.**

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition .....	\$	80,702	3488
2. Deduct ownership equity not allowable for Net Capital .....	%	( )	3498
3. Total ownership equity qualified for Net Capital .....		80,702	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3528
B. Other (deductions) or allowable credits (List) .....			3528
5. Total capital and allowable subordinated liabilities .....	\$	80,702	3558
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$	20,074	3548
B. Secured demand note delinquency .....			3598
C. Commodity futures contracts and spot commodities -			
proprietary capital charges .....			3608
D. Other deductions and/or charges .....			3578
7. Other additions and/or allowable credits (List) .....		( 20,074 )	3528
8. Net capital before haircuts on securities positions .....	%	60,628	3548
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$		3568
B. Subordinated securities borrowings .....			3578
C. Trading and investment securities:			
1. Exempted securities .....	%		3735
2. Debt securities .....			3738
3. Options .....			3738
4. Other securities <u>Includes Uninsured Money Funds</u> .....		8,908	3734
D. Unsec Concentration .....			3558
E. Other (List) .....		( 8,908 )	3748
10. Net Capital .....	\$	51,720	3758

OMIT PENNIES

NET CAPITAL PER FOCUS REPORT FILED FOR THE  
QUARTER ENDING SEPTEMBER 30, 2003 \$ 71,640

ADJUSTMENTS:	
CORRECT HAIRCUT	2,821
CORRECT ACCRUED STATE AND FEDERAL INCOME TAXES AND PENALTIES	(6,558)
ROUNDING	(1)
CORRECT LOSS ON SECURITIES (UNREALIZED)	(14,928)
CORRECT INTERNET INCOME	15
CORRECT COMMISSION INCOME	(3,019)
CORRECT COMMISSION EXPENSE	2,799
CORRECT OTHER EXPENSES	436
CORRECT NON ALLOWABLE ASSETS	(1,485)

NET CAPITAL FOR SEPTEMBER 30, 2003 AUDITED  
FINANCIAL STATEMENTS \$ 51,720

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

PENSION PLANNERS SECURITIES, INC.

as of 9/30/03

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$	11,139	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	11,139	3760
14. Excess net capital (line 10 less 13) .....	\$	40,581	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	35,012	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	167,076	3790
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	
18. Total aggregate indebtedness .....	\$	167,076	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	323.04	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	N/A	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$		3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
23. Net capital requirement (greater of line 21 or 22) .....	\$		3760
24. Excess capital (line 10 less 23) .....	\$		3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000 .....	\$		3920

**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 $\frac{2}{3}$ % 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 note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **PENSION PLANNERS SECURITIES, INC.** as of 9/30/03

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 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 .....   | 4550   |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....  | 4560   |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.<br>Name of clearing firm <sup>30</sup> <b>RBC DAIN RAUSCHER (8-45411)</b> <span style="float: right; border: 1px solid black; padding: 2px;">4335</span> | X <span style="float: right; border: 1px solid black; padding: 2px;">4570</span> |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....  | 4580   |

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

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
<b>Total \$<sup>36</sup></b>						<b>4699</b>

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTIONS</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

PENSION PLANNERS SECURITIES, INC.

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FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
Year ended September 30, 2003

Greg M. Lang, C.P.A.



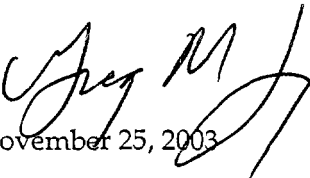
To the Board of Directors  
Pension Planners Securities, Inc.  
Sacramento, California

I have audited the accompanying balance sheet of Pension Planners Securities, Inc., as of September 30, 2003 and the related statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pension Planners Securities, Inc., as of September 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, I have prepared and examined the supplementary schedules (pages 1 through 7 of Form X-17a-5(a)) which follow the notes to the aforementioned financial statements and, in my opinion, they present fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.

  
November 25, 2003

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PENSION PLANNERS SECURITIES, INC.  
BALANCE SHEET  
September 30, 2003

ASSETS

Current Assets

Cash and cash equivalents	\$ 151,576
Commissions and other receivables	40,149
Investments - securities	<u>56,053</u>

Total Current Assets \$ 247,778

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable	\$ 122,545
Commissions payable	36,134
Deferred revenue - brokerage fees	1,839
Income taxes payable	<u>6,558</u>
Total Current Liabilities	<u>167,076</u>

Shareholders' Equity

Common stock, 1,000 shares authorized, 900 shares issued and outstanding	8,800
Retained earnings	<u>71,902</u>
Total Shareholders' Equity	<u>80,702</u>

Total Liabilities and Shareholders' Equity \$ 247,778

See accompanying notes and auditors' report.

PENSION PLANNERS SECURITIES, INC.  
STATEMENT OF INCOME AND RETAINED EARNINGS  
Year ended September 30, 2003

Commission Income	<u>\$ 5,862,677</u>
Expenses	
Commissions	5,141,369
Officers' compensation	352,000
Interest	466
Common administrative expenses	273,309
Insurance	111,738
Licenses and fees	(11,086)
Outside services	17,618
Accounting and auditing	20,726
Annual meeting	42,709
Bank charges	146
Retirement contribution	22,436
Marketing	6,459
Total Expenses	<u>5,977,890</u>
Net Loss From Operations	<u>(115,213)</u>
Other Income	
E&O insurance reimbursement	101,435
Annual meeting income	42,709
Interest income	2,206
Other income	526
Total Other Income	<u>146,876</u>
Net Income	<u>31,663</u>
Other Comprehensive Income(loss)	
Unrealized holding loss arising during the year- investments - securities	<u>(17,367)</u>
Total Impact on Comprehensive Income	<u>(17,367)</u>
Income Tax Expense	<u>7,469</u>
Net Income	6,827
Retained Earnings, September 30, 2002	<u>65,075</u>
Retained Earnings, September 30, 2003	<u>\$ 71,902</u>

See accompanying notes and auditors' report.

PENSION PLANNERS SECURITIES, INC.  
 STATEMENT OF CASH FLOWS  
 Year ended September 30, 2003

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities

Net Income	\$ 6,827
Adjustments to reconcile net income to net cash provided by operating activities:	
Unrealized loss on investments - securities	17,367
Purchase of securities	(14,928)
Changes in assets and liabilities:	
Increase in commissions receivable	(34,160)
Increase in accounts payable	55,859
Increase in income taxes payable	5,733
Increase in commissions payable	30,661
Increase in deferred revenue	<u>1,839</u>
Total Adjustments	<u>62,371</u>
Net Cash Provided By Operating Activities	69,198

Cash and Cash Equivalents, September 30, 2002 82,378

Cash and Cash Equivalents, September 30, 2003 \$ 151,576

Supplementary Disclosure of Cash Flow Information

Cash paid during the period for:

Interest	\$ 466
Income taxes	\$ 911

Disclosure of Accounting Policy

For purposes of the Statement of Cash Flows, the Corporation considers all highly-liquid investments readily convertible to known amounts of cash as cash equivalents.

See accompanying notes and auditors' report.



PENSION PLANNERS SECURITIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2003

Note 1: Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Corporation. The policies reflect industry practices and conform to generally accepted accounting principles.

Corporation's Activities

The Corporation is engaged in the sale of mutual funds and variable annuities to individuals, organizations and businesses in Northern California and Nevada. Commissions are paid by both mutual fund and insurance companies to Pension Planners Securities, Inc., which in turn pays commissions to its security representatives.

Income Taxes

Income tax expense includes current federal and state taxes. There are no deferred taxes as the Corporation reports its income on the same basis of accounting for financial statement and income tax purposes. As of September 30, 2003, the Corporation has capital loss carryovers of \$9,667 available to offset both future federal and state capital gains.

Operations

The Corporation's operations are conducted from the same offices as another corporation controlled by the same shareholders. The related corporation incurs the burden of substantially all common general and administrative expenses, thereby reducing the direct expenses of Pension Planners Securities, Inc. However, Pension Planners Securities, Inc. has been charged \$273,309 by the related corporation for common expenses which include payroll tax expense related to compensation paid to the Corporation's shareholder employees. Management believes that this amount adequately reflected its share of the common expenses for the year ended September 30, 2003. The total charges are included in and are listed as common administrative expenses in the income statement.

Note 2: Investments - Securities

The balance represents investments in equity securities at the lower of cost or market for all the equity securities held at September 30, 2003.

PENSION PLANNERS SECURITIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2003

Note 3: Related Party Transactions

Commissions of \$255,253 for the year ended September 30, 2003 were paid to the shareholders and is included in commissions expense on the statement of income and retained earnings.

A related corporation is common paymaster for the reporting of payroll of the Corporation's shareholder employees (officer's compensation in the statement of income). Thus, a reimbursement to the common paymaster for federal and California employer payroll taxes has been paid to the related corporation and is included in the statement of income with common general and administrative expense (see Note 1 Operations).

Note 4: Net Capital Requirement

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Corporation is required to maintain net capital of not less than \$5,000; at September 30, 2003, the Corporation had net capital of \$51,720.

PENSION PLANNERS SECURITIES, INC.  
September 30, 2003

Pension Planners Securities, Inc. does not retain customer funds or customer securities. The following schedules are inapplicable and thus have not been prepared:

- Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3
- Information Relating to the Possession or Control Requirements pursuant to Rule 15c3-3
- A Reconciliation pursuant to Rule 17a-5(d)(4)



SUPPLEMENTARY REPORT ON INTERNAL ACCOUNTING CONTROL

To the Board of Directors  
Pension Planners Securities, Inc.  
Sacramento, California

I have examined the financial statements of Pension Planners Securities, Inc. for the year ended September 30, 2003 and have issued my report thereon dated November 25, 2003. As part of my examination, I made a study and evaluation of the system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17a-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system. The Corporation is exempt from compliance with Rule 15c3-3. No facts came to my attention indicating that the conditions of the exemption had not been complied with during the period. Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under generally accepted auditing standards and rule 17a-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal accounting control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgment by Management. However, for the purposes of this report under Rule 17a-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by Management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures whose effectiveness depends on

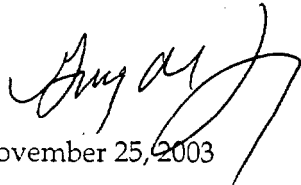
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segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by Management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the system of internal accounting control for the year ended September 30, 2003, which was made for the purposes set forth in the first paragraph above, and would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed no weakness that I believe to be material except that often substantially all accounting functions are performed or directed by one individual and supervised or intermittently reviewed by one individual (shareholder). This lack of segregation of duties allows opportunity for accounting improprieties to occur without collusion. Although not a formal control, each of the shareholders has full access to all accounting records and is extremely familiar with the transactions and business activities of the Corporation.

A handwritten signature in black ink, appearing to read "Amy J. [unclear]", written over the date.

November 25, 2003