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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
Estimates average burden
Hours per response . . . 12.00



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

REC'D S.E.C.
NOV 29 2003

SEC FILE NUMBER
8 - 3273

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:

PAUL L. FORCHHEIMER & CO., INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

61 BROADWAY

(No. And Street)

NEW YORK,
(City)

NY
(State)

10006
(Zip Code)

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

A. WEICHSELBAUM

(212) 425-7412
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report *

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

60 EAST 42ND STREET
(Address)

NEW YORK
(City)

NY
(State)

10165
(Zip Code)

CHECK ONE:

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

PROCESSED
JAN 02 2004

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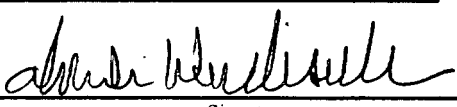
FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

*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 basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, AARON WEICHSELBAUM, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PAUL L. FORCHHEIMER & CO., 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:



Signature

VICE-PRESIDENT

Title



Notary Public

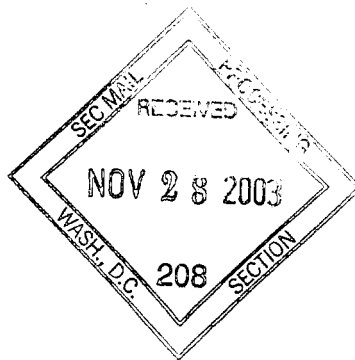
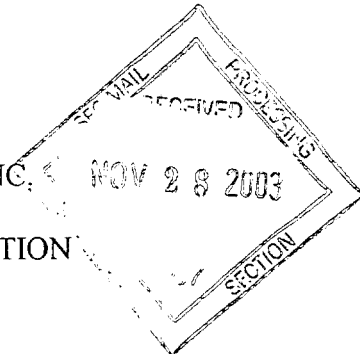
SUSAN E. VANVELSON
Notary Public, State of New York
No. 01VA6045572
Qualified in Ulster County
Commission Expires July 31, 2006

This report ** contains (check all applicable boxes)

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation or 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 sin the date of previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

PAUL L. FORCHHEIMER & CO., INC.
STATEMENT OF FINANCIAL CONDITION
SEPTEMBER 30, 2003



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Paul L. Forchheimer & Co., Inc.:

We have audited the accompanying statement of financial condition of Paul L. Forchheimer & Co., Inc. (the "Company") as of September 30, 2003. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is 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 used by management, as well as evaluating financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Paul L. Forchheimer & Co., Inc. as of September 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

Fulvio & Associates, L.L.P.

New York, New York
November 19, 2003

PAUL L. FORCHHEIMER & CO., INC.
STATEMENT OF FINANCIAL CONDITION
SEPTEMBER 30, 2003

ASSETS

Cash and cash equivalents	\$ 346,221
Cash and securities segregated for regulatory purposes	143,175
Receivable from customers	3,079
Spot commodities owned, at market value	9,738
Other	<u>2,291</u>
 TOTAL ASSETS	 <u>\$ 504,504</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:

Payable to customers and non-customers	\$ 178,247
Accounts payable and accrued liabilities	<u>1,581</u>

TOTAL LIABILITIES \$ 179,828

SHAREHOLDERS' EQUITY:

Common stock, no par value, 300 shares authorized, 250 shares issued and outstanding	\$ 250,000
Additional paid-in capital	117,465
Earnings deficit	<u>(42,789)</u>

TOTAL SHAREHOLDERS' EQUITY \$ 324,676

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$ 504,504

The accompanying notes are an integral part of this financial statement.

PAUL L. FORCHHEIMER & CO., INC.
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business:

Paul L. Forchheimer & Co., Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the National Association of Securities Dealers, Inc. The Company was incorporated in February 1979 in the State of New York.

Cash Equivalents:

The Company considers short-term highly liquid securities with maturities of 90 days or less, other than those held for sale in the ordinary course of business, as cash.

Other Assets:

The Company has given a security deposit for their office space in the amount of \$2,284. The Company has a miscellaneous receivable of \$7.

NOTE 2. CASH AND SECURITIES SEGREGATED FOR REGULATORY PURPOSES

Cash of \$143,175 is segregated for the exclusive benefit of customers pursuant to the determination of reserve requirements for broker/dealers under SEC Rule 15c3-3. Subsequent to September 30, 2003, the Company deposited \$27,650 in cash in accordance with the provisions of SEC Rule 15c3-3.

NOTE 3. RECEIVABLE FROM AND PAYABLE TO CUSTOMERS AND NON-CUSTOMERS

The balance shown as receivable from and payable to customers and non-customers principally represents cash balances arising in the normal course of business. The receivables are collateralized by securities held by the Company, the value of which is not reflected in the accompanying financial statements.

PAUL L. FORCHHEIMER & CO., INC.
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2003
(Continued)

NOTE 4. NET CAPITAL REQUIREMENT

As a registered broker-dealer, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1. This rule requires the Company to maintain minimum net capital, as defined, of \$250,000. As of September 30, 2003, the Company had net capital that exceeded the requirements by \$62,655.

NOTE 5. SIGNIFICANT GROUP CONCENTRATION OF RISK

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 (market risk) or failures of the other parties to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the customers and/or other counterparties with which it conducts business.

As of September 30, 2003, there were no customer accounts having debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.

NOTE 6. INCOME TAXES

The Company has elected under Subchapter S of the Internal Revenue Code, to not be considered a taxable entity for federal income tax purposes. The state under which the Company is incorporated has similar provisions. Each shareholder is liable for the taxes on their share of the Company's profit or loss. However, the Company is subject to the New York State franchise tax and New York City General Corporation tax.