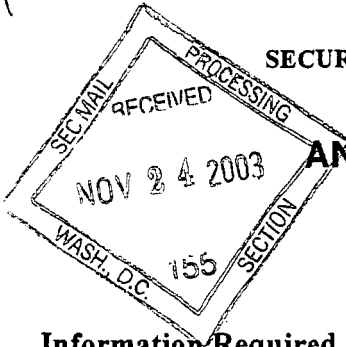


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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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- 65343

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 10/01/02 AND ENDING 09/30/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Curtiswood Capital, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
104 Woodmont Blvd., Suite 200

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Nashville Tennessee 37205
(City) (State) (Zip Code)

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

Scott R. Nieboer (615) 386 - 0231
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kraft Bros., Esstman, Patton and Harrell, PLLC
(Name - if individual, state last, first, middle name)

555 Great Circle Road Nashville Tennessee 37228
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
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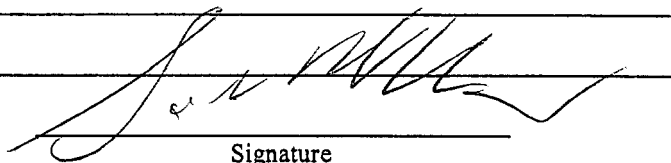
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	THOMSON FINANCIAL

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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)

OATH OR AFFIRMATION

I, Scott Nieboer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Curtiswood Capital, LLC, as of September 30, 20 03, 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

Chief Manager
Title

Jennifer DeBoach
Notary Public 11/18/03

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).

CURTISWOOD CAPITAL, LLC
NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS, FORM X-17A-5, PART III,
SUPPLEMENTAL SCHEDULES,
AND
REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 30, 2003

CURTISWOOD CAPITAL, LLC
NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS, FORM X-17A-5, PART III,
SUPPLEMENTAL SCHEDULES,

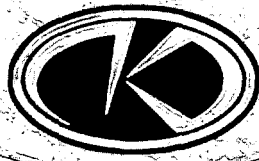
AND

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 30, 2003

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KraftCPAs

Kraft Bros., Esstman, Patton & Harrell, PLLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Executive Committee and Member
Curtiswood Capital, LLC
Nashville, Tennessee

We have audited the accompanying statement of financial condition of Curtiswood Capital, LLC (the "Company") as of September 30, 2003, and the related statements of income, changes in member's 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 Curtiswood Capital, LLC at 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.

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 supplemental schedules 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.

Kraft Bros., Esstman, Patton & Harrell, PLLC

Nashville, Tennessee
October 24, 2003

CURTISWOOD CAPITAL, LLC
STATEMENT OF FINANCIAL CONDITION
SEPTEMBER 30, 2003

ASSETS

Cash	\$ 192,680
Deposits with clearing broker	2,799,366
Demand note receivable from related party - Note 6	75,000
Securities owned:	
Marketable, at market value - Note 3	6,450,354
Not readily marketable, at estimated value - Note 3	20,620
Prepaid expenses and other assets	15,667
Furniture and equipment - at cost, less accumulated depreciation of \$6,544	<u>33,068</u>
 TOTAL ASSETS	 <u>\$ 9,586,755</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Payable to clearing broker, net - Note 4	\$ 5,484,451
Marketable securities sold, not yet purchased, at market value - Notes 3 and 7	463,914
Accounts payable and accrued expenses	<u>152,608</u>

TOTAL LIABILITIES 6,100,973

COMMITMENTS - Note 5

MEMBER'S EQUITY 3,485,782

TOTAL LIABILITIES AND MEMBER'S EQUITY \$ 9,586,755

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

CURTISWOOD CAPITAL, LLC

STATEMENT OF INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2003

REVENUES	
Trading income	\$ 2,696,554
Interest and dividend income	157,523
Commission income	235,879
Rental income - Note 5	<u>9,900</u>
TOTAL REVENUES	<u>3,099,856</u>
EXPENSES	
Floor brokerage, exchange, and clearance fees	315,251
Communication and data processing	95,714
Interest	59,827
Occupancy - Note 5	27,564
Other - Note 6	<u>301,714</u>
TOTAL EXPENSES	<u>800,070</u>
INCOME BEFORE INCOME TAX EXPENSE	2,299,786
INCOME TAX EXPENSE	<u>28,043</u>
NET INCOME	<u>\$ 2,271,743</u>

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

CURTISWOOD CAPITAL, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2003

BALANCE - BEGINNING OF YEAR	\$ 1,234,039
Distribution to member	(20,000)
Net income for the year	<u>2,271,743</u>
BALANCE - END OF YEAR	<u>\$ 3,485,782</u>

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

CURTISWOOD CAPITAL, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

OPERATING ACTIVITIES	
Net income	\$ <u>2,271,743</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	6,383
(Increase) decrease in operating assets:	
Deposits with clearing broker	(1,622,125)
Marketable securities, at market value	(4,421,632)
Not readily marketable securities, at estimated fair value	(20,620)
Prepaid expenses and other assets	(3,243)
Increase (decrease) in operating liabilities:	
Payable to clearing broker	3,725,309
Marketable securities sold, not yet purchased	249,570
Accounts payable and accrued expenses	<u>139,113</u>
Total Adjustments	<u>(1,947,245)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>324,498</u>
INVESTING ACTIVITIES	
Loans to related party	(150,000)
Principal receipts on demand note receivable from related party	75,000
Purchase of furniture and equipment	<u>(36,818)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(111,818)</u>
FINANCING ACTIVITIES	
Distribution to member	<u>(20,000)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(20,000)</u>

(continued on next page)

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

CURTISWOOD CAPITAL, LLC

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2003

NET INCREASE IN CASH	192,680
CASH - BEGINNING OF YEAR	<u>-</u>
CASH - END OF YEAR	<u>\$ 192,680</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash payments for:

Interest expense	<u>\$ 59,827</u>
Income taxes	<u>\$ 15,000</u>

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

CURTISWOOD CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Curtiswood Capital, LLC (the "Company") is a Tennessee limited liability company formed on April 19, 2002, as Delta Research & Trading, LLC ("Delta"), with a duration of 73 years. On June 19, 2002, Delta was renamed Curtiswood Capital, LLC. The Company is wholly-owned by Trace Partners, LP, a Nevada limited partnership.

The Company is an introducing broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the National Association of Securities Dealers ("NASD"). The Company is located in Nashville, Tennessee.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Fiscal year

The Company has adopted a September 30 fiscal reporting year for financial statement purposes. Tax returns are filed on a December 31 calendar year basis.

Use of estimates in the preparation of financial statements

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 period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid investments with original maturities of less than three months to be cash equivalents. At September 30, 2003, the Company had no cash equivalents.

CURTISWOOD CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2003

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits with clearing broker

The Company clears its proprietary and customer transactions through another broker-dealer, Sterne, Agee & Leach, Inc. ("SAL") on a fully disclosed basis via a correspondent clearing agreement which expires on July 23, 2004. The Company has agreed to maintain a deposit account with SAL equal to or greater than the margin requirements on securities with a minimum balance of \$100,000.

Securities transactions

Gains and losses arising from all securities transactions entered into for the account and risk of the Company are recorded on a settlement-date basis. All of the Company's trading activities are cleared by SAL Financial Services, Inc.

Marketable securities are valued at market value, and any securities not readily marketable are valued at estimated fair value as determined by management.

Furniture and equipment

Furniture and equipment are reported at cost less accumulated depreciation. Depreciation is computed on an accelerated method over the estimated useful lives of the assets, which range from 5 to 7 years.

Trading income

Trading income is recorded as the difference between the acquisition cost of the security and the selling price or current fair market value and consists of realized and unrealized gains (losses) on security transactions.

Interest and dividend income

Interest income is recognized in the period earned. Dividend income is recognized as of the date declared.

Commission income

Commission income and related clearing expenses are recorded on a settlement-date basis as securities transactions occur.

CURTISWOOD CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2003

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest expense

The Company may from time to time finance its security positions via a margin account with its clearing broker. The margin account bears interest at a current market rate that fluctuates daily.

Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, all federal tax effects of the Company's income, gains and losses are passed through to Trace Partners, LP, and the Company is only liable for state excise taxes based on the portion of its taxable income that is not self-employment income as provided under applicable state law.

Concentration of risk

The Company generally maintains cash and cash equivalents on deposit at banks in excess of federally insured amounts. Statement of Financial Accounting Standards No. 105 identifies this condition as a concentration of credit risk requiring disclosure. The Company has not experienced any losses in such accounts. In management's opinion, the risk is mitigated by use of high quality financial institutions. At September 30, 2003, cash balances per bank in excess of insured limits approximated \$122,515.

CURTISWOOD CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2003

NOTE 3 - SECURITIES OWNED AND SOLD, NOT YET PURCHASED

Securities owned and sold, not yet purchased, consist of the following at September 30, 2003:

	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
Corporate bonds, debentures and notes	\$ 4,967,714	\$ 288,250
Corporate stocks	<u>1,503,260</u>	<u>175,664</u>
	<u>\$ 6,470,974</u>	<u>\$ 463,914</u>
Marketable securities owned, at market value	\$ 6,450,354	\$ 463,914
Not readily marketable securities owned, at estimated value	<u>20,620</u>	<u>-</u>
	<u>\$ 6,470,974</u>	<u>\$ 463,914</u>

NOTE 4 - PAYABLE TO CLEARING BROKER, NET

Amounts receivable from and payable to the Company's clearing broker, SAL, consist of the following at September 30, 2003:

Payable to clearing broker	\$ (5,982,291)
Receivable from clearing broker	414,956
Interest receivable from clearing broker	<u>82,884</u>
Payable to clearing broker, net	<u>\$ (5,484,451)</u>

The amount payable to the clearing broker is collateralized by the Company's deposits with the clearing broker and the securities owned by the Company.

CURTISWOOD CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2003

NOTE 5 - COMMITMENTS

The Company leases office space under an operating lease that expires April 30, 2007, and calls for escalating monthly lease payments plus additional fees for parking.

As of September 30, 2003, aggregate future rental payments required under the lease amounted to the following:

For the year ending September 30,

2004	\$	24,057
2005		25,019
2006		26,020
2007		<u>15,527</u>
	\$	<u>90,623</u>

Total rent expense incurred under all operating leases for the year amounted to \$27,564.

The Company subleased a portion of its office space for \$1,800 a month for 5 ½ months. Total sublease rental income received for the year was \$9,900.

NOTE 6 - RELATED PARTY TRANSACTIONS

During the year ended September 30, 2003, the Company made two loans of \$75,000 each, evidenced by two demand notes receivable, to a partner of an affiliated company. The notes bear interest at the current rate charged by SAL Financial, Inc. (4.75% at September 30, 2003). The Company's demand rights are exercisable on or after the earlier of each closing period in which new partners are admitted to the Company, with 30 days notice, or any time after the 89th day from the date of the note, with 30 days notice. One note was subsequently repaid prior to September 30, 2003. Interest earned of \$313 on these notes was reported in interest income for the year.

Total salaries and benefits included in other expenses, that were paid to partners of an affiliated company, amounted to \$100,000 for the year ended September 30, 2003.

CURTISWOOD CAPITAL, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2003

NOTE 7 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

The Company has sold securities that it does not currently own and, therefore, will be obligated to purchase such securities at a future date. The Company has recorded these obligations in the financial statements at September 30, 2003 at the current market values of the related securities and will incur a loss if the market value of the securities is higher at the purchase date.

NOTE 8 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to regulatory net capital, both as defined, shall not exceed 15 to 1. The rule of the "applicable" exchange also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At September 30, 2003, the Company had regulatory net capital of \$2,184,194, which was \$2,084,194 in excess of its required net capital of \$100,000. The Company's percent of aggregate indebtedness to net capital ratio was .07 to 1.

SUPPLEMENTAL SCHEDULES

CURTISWOOD CAPITAL, LLC

COMPUTATION OF NET CAPITAL

SEPTEMBER 30, 2002

Net Capital	
Total member's equity from the Statement of Financial Condition	<u>\$ 3,485,782</u>
Deductions and/or charges:	
Nonallowable assets from the Statement of Financial Condition:	
Receivable from clearing broker	82,884
Note receivable from related party	75,000
Marketable securities owned, at estimated fair value	20,620
Furniture and equipment, net	33,068
Prepaid expenses and other assets	<u>15,667</u>
Total deductions and/or charges	<u>227,239</u>
Net capital before haircuts on securities positions	<u>3,258,543</u>
Haircuts on securities:	
Trading and investment securities	967,767
Undue concentration	<u>106,582</u>
Total haircuts on securities	<u>1,074,349</u>
Net Capital	<u>\$ 2,184,194</u>
Aggregate Indebtedness:	
Accounts payable and accrued expenses	<u>\$ 152,608</u>
Total aggregate indebtedness	<u>\$ 152,608</u>
Computation of Basic Net Capital Requirement	
Net capital requirement	<u>\$ 100,000</u>
Excess net capital	<u>\$ 2,084,194</u>
Excess net capital at 1000%	<u>\$ 2,168,933</u>
Percentage of aggregate indebtedness to net capital	<u>0.07</u>

CURTISWOOD CAPITAL, LLC

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3

SEPTEMBER 30, 2003

Curtiswood Capital, LLC is exempt from the provisions of Rule 15c3-3 under the exemption provided in Section K(2)(ii) of the Rule.

CURTISWOOD CAPITAL, LLC

INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3

SEPTEMBER 30, 2003

Curtiswood Capital, LLC is exempt from the provisions of Rule 15c3-3 under the exemption provided in Section K(2)(ii) of the Rule.

CURTISWOOD CAPITAL, LLC

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

SEPTEMBER 30, 2003

Reconciliation of the Company's computation (included in Part II of Form X-17A-5
as of September 30, 2003)

Net capital, as reported in Company's Part II (unaudited FOCUS report)	\$ 2,198,093
Audit adjustment to record state excise and franchise tax liability	<u>(13,899)</u>
Net capital, per audited financial statements	<u>\$ 2,184,194</u>

CURTISWOOD CAPITAL, LLC

RECONCILIATION BETWEEN THE AUDITED AND UNAUDITED
STATEMENTS OF FINANCIAL CONDITION
WITH RESPECT TO METHODS OF CONSOLIDATION

SEPTEMBER 30, 2003

Not applicable.

CURTISWOOD CAPITAL, LL C

MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO
HAVE EXISTED

SEPTEMBER 30, 2003

None.



KraftCPAs

Kraft Bros., Esstman, Patton & Harrell, PLLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON CONTROL

Executive Committee and Member
Curtiswood Capital, LLC
Nashville, Tennessee

In planning and performing our audit of the financial statements and supplemental schedules of Curtiswood Capital, LLC (the "Company") for the year ended September 30, 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 such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry 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 quarterly securities examinations, counts, verifications and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining 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 controls 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 conformity 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, error or fraud 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 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 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 control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand the 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 the Company's practices and procedures were adequate at September 30, 2003 to meet the SEC's objectives.

This report is intended solely for the information and use of the Executive Committee and Member, management, the SEC, the National Association Securities Dealers, Inc. ("NASD") 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.

Kraft Bros., Esstman, Patton & Harrell, PLLC

Nashville, Tennessee
October 24, 2003