

05040111

SECURITIES AND COMMISSION
Washington, D.C. 20549

VE 4-13-05

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

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

A

SEC FILE NUMBER
8- 51522

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 1/1/2004 AND ENDING 12/31/2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Monitor Capital, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

9171 Towne Centre Drive, #465

(No. and Street)

San Diego, CA 92122

(City)

(State)

(Zip Code)

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

Mr. Hsiao-Wen Kao (858) 546-8007

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sonnenberg & Company

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

5190 Governor Drive, #201 - San Diego, CA 92122

(Address)

(City)

(State)

(Zip Code)

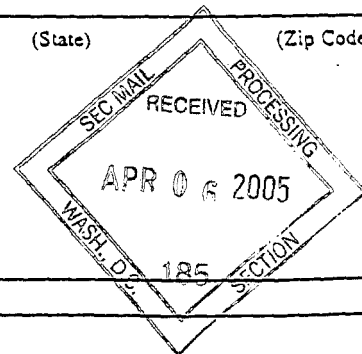
CHECK ONE:

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

PROCESSED

3 APR 29 2005

THOMSON
FINANCIAL



FOR OFFICIAL USE ONLY

*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, Mr. Hsiao-Wen Kao, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Monitor Capital, Inc., as of February 23, 20 04, 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:



Lori J. Maguire
Notary Public

Hsiao Wen Kao
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).

MONITOR CAPITAL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
December 31, 2004

Net Capital:

Total Stockholder's Equity	\$	<u>145,550</u>	
Total Stockholder's Equity Qualified for Net Capital		145,550	
Deductions		<u>116,139</u>	
Total Non-Allowable Assets		116,139	
Net Capital	\$		29,411

Aggregate Indebtedness:

Total Liabilities	\$	<u>30,735</u>
Total Aggregate Indebtedness	\$	<u><u>30,735</u></u>

Computation of Basic Net Capital Requirement:

Minimum Net Capital Required (Greater of \$5,000 or 6.66% of Aggregate Indebtedness)	\$	<u>(5,000)</u>
Excess Net Capital	\$	<u>24,411</u>
Excess Net Capital at 1000%	\$	<u>26,337</u>
Percentage of Aggregate Indebtedness to Net Capital		<u>105</u>

Reconciliation with Company's Computation:

(Included in Part II of Form K-17A-5 as of December 31, 2004)

Net Capital (As Reported in Part II Unaudited FOCUS Report)	\$	<u>29,411</u>
Net Capital, per Above	\$	<u>29,411</u>

See Independent Auditor's Report

MONITOR CAPITAL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
December 31, 2004

Net Capital:

Total Stockholder's Equity	\$	<u>145,550</u>	
Total Stockholder's Equity Qualified for Net Capital		145,550	
Deductions		<u>116,139</u>	
Total Non-Allowable Assets		116,139	
Net Capital	\$		29,411

Aggregate Indebtedness:

Total Liabilities	\$	<u>30,735</u>	
Total Aggregate Indebtedness	\$	<u><u>30,735</u></u>	

Computation of Basic Net Capital Requirement:

Minimum Net Capital Required (Greater of \$5,000 or 6.66% of Aggregate Indebtedness)	\$	<u>(5,000)</u>
Excess Net Capital	\$	<u><u>24,411</u></u>
Excess Net Capital at 1000%	\$	<u><u>26,337</u></u>
Percentage of Aggregate Indebtedness to Net Capital		<u><u>105</u></u>

Reconciliation with Company's Computation:

(Included in Part II of Form K-17A-5 as of December 31, 2004)

Net Capital (As Reported in Part II Unaudited FOCUS Report)	\$	<u><u>29,411</u></u>
Net Capital, per Above	\$	<u><u>29,411</u></u>

See Independent Auditor's Report