

SECURITIES
Washington



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

RECEIVED
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MAR - 7 2005
WASH. DC. 213 SECTION

SEC FILE NUMBER
8- 32327

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 01/01/2004 AND ENDING 12/31/2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: NALICO Equity Corporation
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

Rudolf-Diesel-Str. 9

(No. and Street)

Giessen

Germany

35394

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
James A. Gray, Jr. 011-49-641-9482901

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

AKTIVA Steuerberatungsgesellschaft

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

Lindenstrasse 70

Offenbach Germany

63071

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

APR 04 2005 E

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)

SEC 1410 (06-02)

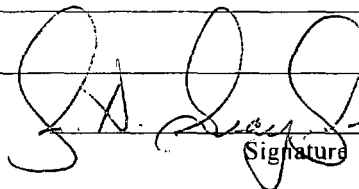
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AAA
3/31/2005

RIA
3/29

OATH OR AFFIRMATION

I, James A. Gray, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NALICO Equity Corporation, as of 31 December, 2004, 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 Executive Officer
Title

Notary Public

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).

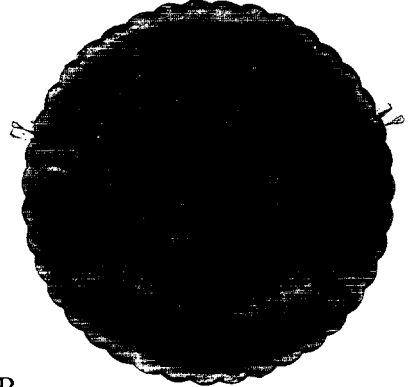
Urkundenrolle Nr. 75/2005

Ich, der Notar, fragte nach einer Vorbefassung im Sinne des § 3 Abs. 1 Satz 1 Nr. 7 BeurkG. Die Frage wurde von dem Erschienenen verneint.

Ich beglaubige hiermit die vorseitige vor mir vollzogene Unterschrift des Herrn James Albert Gray, geb. am 08.07.1968 (California, USA), wohnhaft Hauptstraße 47, 35510 Butzbach/Fauerbach, er wies sich aus durch gültigen amerikanischen Reisepass.

Butzbach, den 01. März 2005


Notar



Kostenrechnung:

Wert: 5.000,- EUR

Geb. gem. § 45 KostO (Begl.geb.)	10,50 EUR
Geb. gem. §§ 136, 152 KostO (Schreibausl.)	1,50 EUR
Geb. gem. § 137, 152 KostO (Postausl.)	2,00 EUR
16 % MwSt.	2,24 EUR
<u>Insgesamt</u>	<u>16,24 EUR</u>


Notar

FORM
X-17A-5

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

Part IIA Special Request

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17

COVER

Select a filing method:

Basic Alternate [0011]

Name of Broker Dealer: NALICO EQUITY CORPORATION [0013] SEC File Number: 8- 32327 [0014]
Address of Principal Place of Business: RUDOLF-DIESEL-STR 9 [0020]
GIESSEN [0021] [0022] D- [0023] Firm ID: 15530 [0015]
35394 [0023]

For Period Beginning 01/01/2004 [0024] And Ending 12/31/2004 [0025]

Name and telephone number of person to contact in regard to this report:

Name: James A. Gray, Jr. [0030] Phone: (049) 641-9482 [0031]

Name(s) of subsidiaries or affiliates consolidated in this report:

Name: _____ [0032] Phone: _____ [0033]

Name: _____ [0034] Phone: _____ [0035]

Name: _____ [0036] Phone: _____ [0037]

Name: _____ [0038] Phone: _____ [0039]

Does respondent carry its own customer accounts? Yes [0040] No [0041]

Check here if respondent is filing an audited report [0042]

ASSETS

Consolidated [Ⓒ] [0198]	Unconsolidated [Ⓒ] [0199]	Allowable	Non-Allowable	Total
1. Cash		<u>2,375</u> [0200]		<u>2,375</u> [0750]
2. Receivables from brokers or dealers:				
A. Clearance account		<u> </u> [0295]		
B. Other		<u> </u> [0300]	<u>7,280</u> [0550]	<u>7,280</u> [0810]
3. Receivables from non-customers		<u> </u> [0355]	<u> </u> [0600]	<u>0</u> [0830]
4. Securities and spot commodities owned, at market value:				
A. Exempted securities		<u> </u> [0418]		
B. Debt securities		<u> </u> [0419]		
C. Options		<u> </u> [0420]		
D. Other securities		<u>7,282</u> [0424]		
E. Spot commodities		<u> </u> [0430]		<u>7,282</u> [0850]
5. Securities and/or other investments not readily marketable:				
A. At cost		<u> </u> [0130]		
B. At estimated fair value		<u> </u> [0440]	<u> </u> [0610]	<u>0</u> [0860]
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:		<u> </u> [0460]	<u> </u> [0630]	<u>0</u> [0880]
A. Exempted securities		<u> </u> [0150]		
B. Other securities		<u> </u> [0160]		
7. Secured demand notes		<u> </u> [0470]	<u> </u> [0640]	<u>0</u> [0890]

market value of collateral:

A. Exempted securities

[0170]

B. Other securities

[0180]

8. Memberships in exchanges:

A. Owned, at market

[0190]

B. Owned, at cost

[0650]

C. Contributed for use of the company, at market value

[0660]

0
[0900]

9. Investment in and receivables from affiliates, subsidiaries and associated partnerships

[0480]

[0670]

0
[0910]

10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization

[0490]

[0680]

0
[0920]

11. Other assets

[0535]

[0735]

0
[0930]

12.

9,657
[0540]

7,280
[0740]

16,937
[0940]

TOTAL ASSETS

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	[1045]	[1255]	[1470]
14. Payable to brokers or dealers:			0
A. Clearance account	[1114]	[1315]	[1560]
B. Other	[1115]	[1305]	[1540]
15. Payable to non-customers	[1155]	[1355]	[1610]
16. Securities sold not yet purchased, at market value		[1360]	[1620]
17. Accounts payable, accrued liabilities, expenses and other	[1205]	138 [1385]	138 [1685]
18. Notes and mortgages payable:			0
A. Unsecured	[1210]		[1690]
B. Secured	[1211]	[1390]	[1700]
19. Liabilities subordinated to claims of general creditors:			0
A. Cash borrowings:		[1400]	[1710]
1. from outsiders	[0970]		
2. Includes equity subordination (15c3-1(d)) of	[0980]		
B. Securities borrowings, at market value:		[1410]	[1720]
from outsiders	[0990]		
C. Pursuant to secured demand note collateral agreements:		[1420]	[1730]
1. from outsiders	[1000]		
2. Includes equity subordination			

[1010]

			0
		[1430]	[1740]
			0
	[1220]	[1440]	[1750]
20.	0	138	138
TOTAL LIABILITIES	[1230]	[1450]	[1760]

Ownership Equity

	Total
21. Sole proprietorship	[1770]
22. Partnership (limited partners [1020])	[1780]
23. Corporations:	
A. Preferred stock	[1791]
B. Common stock	[1792]
C. Additional paid-in capital	15,695
	[1793]
D. Retained earnings	1,104
	[1794]
E. Total	16,799
	[1795]
F. Less capital stock in treasury	[1796]
24. TOTAL OWNERSHIP EQUITY	16,799
	[1800]
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY	16,937
	[1810]

STATEMENT OF INCOME (LOSS)

Period Beginning 12/01/2004
[3932]

Period Ending 12/31/2004
[3933]

Number of months 1
[3931]

REVENUE

1. Commissions:	
a. Commissions on transactions in exchange listed equity securities executed on an exchange	[3935]
b. Commissions on listed option transactions	[3938]
c. All other securities commissions	[3939]
d. Total securities commissions	0 [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)	0 [3950]
3. Gains or losses on firm securities investment accounts	[3952]
4. Profit (loss) from underwriting and selling groups	[3955]
5. Revenue from sale of investment company shares	59,630 [3970]
6. Commodities revenue	[3990]
7. Fees for account supervision, investment advisory and administrative services	[3975]
8. Other revenue	1,565 [3995]
9. Total revenue	61,195 [4030]

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	14,484 [4120]
11. Other employee compensation and benefits	37,294 [4115]
12. Commissions paid to other broker-dealers	[4140]
13. Interest expense	[4075]
a. Includes interest on accounts subject to subordination agreements	[4070]
14. Regulatory fees and expenses	3,670 [4195]
15. Other expenses	10,309 [4100]
16. Total expenses	65,757 [4200]

NET INCOME

17. Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)	-4,562 [4210]
--	------------------

18. Provision for Federal income taxes (for parent only)		[4220]
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		[4222]
a. After Federal income taxes of	[4238]	
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		-4,562 [4230]
MONTHLY INCOME		
23. Income (current monthly only) before provision for Federal income taxes and extraordinary items		2,973 [4211]

EXEMPTIVE PROVISIONS

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

A. (k) [4550]
 (1)--Limited business (mutual funds and/or variable annuities only)

B. (k) [4560]
 (2)(i)--"Special Account for the Exclusive Benefit of customers" maintained

C. (k) [4570]
 (2)(ii)--All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)

Clearing Firm SEC#s	Name	Product Code
8- _____ [4335A]	_____ [4335A2]	_____ [4335B]
8- _____ [4335C]	_____ [4335C2]	_____ [4335D]
8- _____ [4335E]	_____ [4335E2]	_____ [4335F]
8- _____ [4335G]	_____ [4335G2]	_____ [4335H]
8- _____ [4335I]	_____ [4335I2]	_____ [4335J]

D. (k) [4580]
 (3)--Exempted by order of the Commission

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition		16,799
			[3480]
2.	Deduct ownership equity not allowable for Net Capital		[3490]
3.	Total ownership equity qualified for Net Capital		16,799
			[3500]
4.	Add:		
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		0
			[3520]
	B. Other (deductions) or allowable credits (List)		
		[3525A]	[3525B]
		[3525C]	[3525D]
		[3525E]	[3525F]
			0
			[3525]
5.	Total capital and allowable subordinated liabilities		16,799
			[3530]
6.	Deductions and/or charges:		
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	7,280	
		[3540]	
	B. Secured demand note deficiency		[3590]
	C. Commodity futures contracts and spot commodities - proprietary capital charges		[3600]
	D. Other deductions and/or charges	[3610]	-7,280
			[3620]
7.	Other additions and/or credits (List)		
		[3630A]	[3630B]
		[3630C]	[3630D]
		[3630E]	[3630F]
			0
			[3630]
8.	Net capital before haircuts on securities positions		9,519
			[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):		
	A. Contractual securities commitments		[3660]
	B. Subordinated securities borrowings		[3670]
	C. Trading and investment securities:		
	1. Exempted securities		[3735]

	2. Debt securities	[3733]	
	3. Options	[3730]	
	4. Other securities	[3734]	
D.	Undue Concentration	[3650]	
E.	Other (List)		
	Pioneer Euro Fund	58	
	[3736A]	[3736B]	
	[3736C]	[3736D]	
	[3736E]	[3736F]	
		58	
		[3736]	
			-58
			[3740]
			9,461
10.	Net Capital		[3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11.	Minimum net capital required (6-2/3% of line 19)		0
		[3756]	
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u>		5,000
		[3758]	
13.	Net capital requirement (greater of line 11 or 12)		5,000
		[3760]	
14.	Excess net capital (line 10 less 13)		4,461
		[3770]	
15.	Excess net capital at 1000% (line 10 less 10% of line 19)		9,461
		[3780]	

COMPUTATION OF AGGREGATE INDEBTEDNESS

16.	Total A.I. liabilities from Statement of Financial Condition		0
		[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)		
	[3820A]	[3820B]	
	[3820C]	[3820D]	
	[3820E]	[3820F]	
		0	
		[3820]	
			0
			[3830]

19. Total aggregate indebtedness

0
[3840]

20. Percentage of aggregate indebtedness
to net capital (line 19 / line 10)

% $\frac{0}{0}$
[3850]

OTHER RATIOS

21. Percentage of debt to debt-equity total computed in accordance
with Rule 15c3-1(d)

% $\frac{0}{0}$
[3860]

SCHEDULED WITHDRAWALS

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	Name of Lender or Contributor	Insider or Outsider	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	Withdrawal or Maturity Date (MM/DD/YYYY)	Expect to Renew
[4600]	[4601]	[4602]	[4603]	[4604]	[4605]
[4610]	[4611]	[4612]	[4613]	[4614]	[4615]
[4620]	[4621]	[4622]	[4623]	[4624]	[4625]
[4630]	[4631]	[4632]	[4633]	[4634]	[4635]
[4640]	[4641]	[4642]	[4643]	[4644]	[4645]
[4650]	[4651]	[4652]	[4653]	[4654]	[4655]
[4660]	[4661]	[4662]	[4663]	[4664]	[4665]
[4670]	[4671]	[4672]	[4673]	[4674]	[4675]
[4680]	[4681]	[4682]	[4683]	[4684]	[4685]
[4690]	[4691]	[4692]	[4693]	[4694]	[4695]
TOTAL			0		
\$					
[4699]					
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 payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

Withdrawal Code	Description
1	Equity Capital
2	Subordinated Liabilities
3	Accruals
4	15c3-1(c)(2)(iv) Liabilities

STATEMENT OF CHANGES

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

1.	Balance, beginning of period		21,509 <hr/> [4240]
	A. Net income (loss)		-4,562 <hr/> [4250]
	B. Additions (includes non-conforming capital of	<hr/> [4262])	<hr/> [4260]
	C. Deductions (includes non-conforming capital of	<hr/> [4272])	<hr/> [4270]
2.	Balance, end of period (From item 1800)		<hr/> 16,947 <hr/> [4290]

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3.	Balance, beginning of period		<hr/> [4300]
	A. Increases		<hr/> [4310]
	B. Decreases		<hr/> [4320]
4.	Balance, end of period (From item 3520)		<hr/> 0 <hr/> [4330]

	Dec 31, 03
ASSETS	
Current Assets	
Checking/Savings	
AmSouth	7,581.55
OPP Cash Reserve Class A	6,858.65
PIO Euro Reserve Fund	227.33
Total Checking/Savings	<u>14,667.53</u>
Accounts Receivable	
Accounts Receivable	1,840.80
Total Accounts Receivable	<u>1,840.80</u>
Other Current Assets	
CRDRN	1,096.00
Pioneer Reserve Account	71.29
Undeposited Funds	-522.39
Total Other Current Assets	<u>644.90</u>
Total Current Assets	17,153.23
Other Assets	
Dealer Reserve	4,355.80
Total Other Assets	<u>4,355.80</u>
TOTAL ASSETS	<u>21,509.03</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
AMERICO - Charge Backs	147.95
Total Other Current Liabilities	<u>147.95</u>
Total Current Liabilities	<u>147.95</u>
Total Liabilities	147.95
Equity	
Opening Bai Equity	15,694.99
Net Income	5,666.09
Total Equity	<u>21,361.08</u>
TOTAL LIABILITIES & EQUITY	<u>21,509.03</u>

	Jan - Dec 04
Ordinary Income/Expense	
Income	
Fund Commissions	59,630.24
Life Insurance Commission	606.91
Total Income	60,237.15
Expense	
Bank Service Charges	602.52
Directors Expense	
Home Office Expense	6,711.77
Meals	540.94
Travel	7,231.63
Total Directors Expense	14,484.34
Dues and Subscriptions	
Life Insurance Registrations	139.00
NASD Fees	3,670.00
Dues and Subscriptions - Other	205.00
Total Dues and Subscriptions	4,014.00
Insurance Charge Backs	135.00
Office Expense	
Computer Software	149.00
Total Office Expense	149.00
Payroll Expenses	37,293.72
Postage and Delivery	2,365.31
Professional Fees	
Auditor	550.00
Consultant	66.66
Corporation Fees	283.18
Legal Fees	62.27
Professional Fees - Other	75.00
Total Professional Fees	1,037.11
Sales And Training	2,276.35
Taxes	
Franchise Tax	625.26
Total Taxes	625.26
Travel & Ent	
Travel	529.29
Total Travel & Ent	529.29
Total Expense	63,511.90
Net Ordinary Income	-3,274.75
Other Income/Expense	
Other Income	
Interest Income	33.42
Other Income	
NASD Registration Fees	285.00
Overpayment of Funds	371.54
Positive Adjustment Account	162.38
Other Income - Other	106.00
Total Other Income	924.92
Total Other Income	958.34

Profit & Loss
 January through December 2004

	<u>Jan - Dec 04</u>
Other Expense	
Other Expenses	
Commission Debit Balance	
Oppenheimer Funds	2,354.82
Commission Debit Balance - Other	<u>-109.17</u>
Total Commission Debit Balance	2,245.65
Total Other Expenses	<u>2,245.65</u>
Total Other Expense	<u>2,245.65</u>
Net Other Income	<u>-1,287.31</u>
Net Income	<u><u>-4,562.06</u></u>

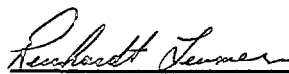
	01/01/2003- 12/31/2003	01/01/2004- 12/31/2004	Amount Difference
INFLOWS			
Dealer Concessions	\$38,178.70	\$49,061.23	\$10,882.53
12B-1 Fees	\$4,795.51	\$10,569.01	\$5,773.50
Total Dealer Concessions	\$42,974.21	\$59,630.24	\$16,656.03
Div Income	\$0.00	\$0.00	\$0.00
Insurance Overrides	\$1,730.76	\$606.91	-\$1,123.85
Other Income			
Application Fees	\$0.00	\$0.00	\$0.00
Bank Error (+)	\$0.00	\$0.00	\$0.00
CRD Reallocation	\$0.00	\$0.00	\$0.00
Interest	\$7.77	\$33.42	\$25.65
Other Income	\$211.00	\$924.92	\$713.92
Total Other Income	\$218.77	\$958.34	\$739.57
Wood-Hart PBM	\$0.00	\$0.00	\$0.00
WRL PBM	\$0.00	\$0.00	\$0.00
TOTAL INFLOWS	\$44,923.74	\$61,195.49	\$16,271.75
OUTFLOWS			
Business Expense			
Ads	\$0.00	\$0.00	\$0.00
Bank Charge	\$438.19	\$602.52	\$164.33
Corporate Fee	\$177.00	\$283.18	\$106.18
Corporate Meetings	\$0.00	\$0.00	\$0.00
Directors Expense			
Home Office Expense	\$1,062.57	\$6,711.77	\$5,649.20
Meals	\$1,056.26	\$540.94	-\$515.32
Travel, Business	\$3,131.61	\$7,231.63	\$4,100.02
Total Director Expense	\$5,250.44	\$14,484.34	\$9,233.90
Education			
Securities Conference	\$0.00	\$0.00	\$0.00
Study Materials	\$0.00	\$0.00	\$0.00
On Site Training	\$489.09	\$2,276.35	\$1,787.26
Total Education	\$489.09	\$2,276.35	\$1,787.26
Executive Consultant's Office	\$0.00	\$0.00	\$0.00
Expense Reimbursement	\$0.00	\$0.00	\$0.00
Meals & Entertn Bus	\$0.00	\$0.00	\$0.00
NALICO Home Office	\$0.00	\$0.00	\$0.00
Depreciation Expense	\$735.86	\$0.00	-\$735.86
Office Supplies	\$256.68	\$0.00	-\$256.68
Postage and Delivery	\$1,351.63	\$2,365.31	\$1,013.68
Printing and Reproduction	\$64.21	\$0.00	-\$64.21
Service Charge	\$0.00	\$0.00	\$0.00
Legal Fees	\$1,800.00	\$62.27	-\$1,737.73
Taxes			
Federal	\$0.00	\$0.00	\$0.00
Franchise	\$110.00	\$625.26	\$515.26
Total Taxes	\$110.00	\$625.26	\$515.26
Travel, Business	\$0.00	\$529.29	\$529.29
Utilities, Business			
Internet Line	\$0.00	\$0.00	\$0.00
Telephone	\$0.00	\$0.00	\$0.00
Total Utilities, Business	\$0.00	\$0.00	\$0.00
Total Business Expense	\$10,673.10	\$21,228.52	\$10,555.42
Commission	\$24,579.81	\$37,293.72	\$12,713.91
Override	\$0.00	\$0.00	\$0.00
Total Commission	\$24,579.81	\$37,293.72	\$12,713.91
License and Registration	\$2,765.00	\$4,014.00	\$1,249.00
Other Exp	\$21.00	\$3,221.31	\$3,200.31
To Dealer Reserve	\$996.85	\$0.00	-\$996.85
TOTAL OUTFLOWS	\$39,035.76	\$65,757.55	\$26,721.79
Overall Total	\$5,887.98	-\$4,562.06	-\$10,450.04

NALICO Equity Corporation
Accountant's Report

The audited financial statements of NALICO Equity Corporation for the fiscal year ending December 31, 2004, and my report thereon, are presented in the preceding sections of this report. In accordance with the requirements of SEC Rule 17a-5, the following statements are added.

The audit was made in accordance with generally-accepted auditing standards. Such information has been subject to the auditing procedures applied in the examination of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

There were no discrepancies noted and no material inadequacies were discovered.


Reinhardt Leimen

ERLEDIGT 24, Feb. 2005

Date

Offenbach, Germany