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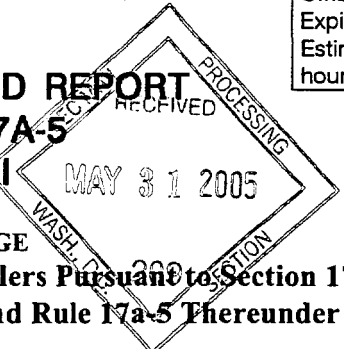


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| OMB APPROVAL | |
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 FINANCIAL

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



| |
|-----------------|
| SEC FILE NUMBER |
| 8- 50309 |

**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 04/01/04 AND ENDING 03/31/05
 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BOE SECURITIES, INC.

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

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

1500 JFK Blvd., Suite 430

(No. and Street)

Philadelphia
(City)

PA
(State)

19102
(Zip Code)

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

Bufus Outlaw

(215) 568-5500

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dunleavy & Company, P.C.

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

13116 South Western Avenue,
(Address)

Blue Island,
(City)

Illinois
(State)

60406
(Zip Code)

CHECK ONE:

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

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)

SEC 1410 (06-02)

Potential persons who are to 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.

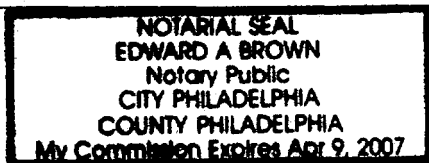
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OATH OR AFFIRMATION

I, Bufus Outlaw, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Boe Securities, Inc., as of March 31, 2005, 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:

NONE



Bufus Outlaw

Signature

President

Title

Edward A. Brown
Notary Public

This report ** contains (check all applicable boxes):

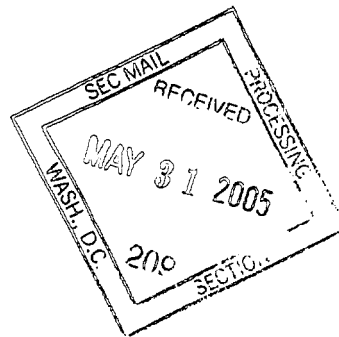
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of ~~Change in Financial Condition~~ Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated 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).

BOE SECURITIES INC.

STATEMENT OF FINANCIAL CONDITION
AND INDEPENDENT AUDITORS' REPORT

MARCH 31, 2005



DUNLEAVY & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
13116 SOUTH WESTERN AVENUE
BLUE ISLAND, ILLINOIS 60406

(708) 489-1680
Fax: (708) 489-1717

INDEPENDENT AUDITORS' REPORT

Board of Directors
BOE Securities Inc.

We have audited the accompanying statement of financial condition of BOE Securities Inc. as of March 31, 2005 that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall statement of financial condition 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 BOE Securities Inc. as of March 31, 2005, in conformity with accounting principles generally accepted in the United States of America.



DUNLEAVY & COMPANY, P. C.
Certified Public Accountants

Blue Island, Illinois
May 11, 2005

BOE SECURITIES INC.

STATEMENT OF FINANCIAL CONDITION

MARCH 31, 2005

ASSETS

| | |
|--|-----------------------|
| Cash and cash equivalents | \$ 417,552 |
| Receivables from broker/dealers | 135,566 |
| Securities owned, at market value | 180,860 |
| Office furniture, equipment and software, at cost, net of \$12,209 accumulated depreciation | 16,817 |
| Other assets | <u>4,174</u> |
| TOTAL ASSETS | <u>\$ 754,969</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

| | |
|---|-----------------------|
| Accounts payable, accrued expenses and other liabilities | \$ 93,561 |
| Accrued bonuses | <u>93,000</u> |
| Total Liabilities | <u>\$ 186,561</u> |

SHAREHOLDERS' EQUITY

| | |
|---|-----------------------|
| Common stock, no par value; authorized, issued and outstanding 100 shares | \$ 1,000 |
| Additional paid-in capital | 283,000 |
| Retained earnings | <u>284,408</u> |
| Total Shareholders' Equity | <u>\$ 568,408</u> |

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$ 754,969

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

BOE SECURITIES INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company is a wholly-owned subsidiary of The BOE Group Inc. and was incorporated in the state of Pennsylvania on April 28, 1997. The Company is registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. The Company's principal business activity is the sale of securities. Operations began in March, 1998.

Long Securities - Securities positions are valued at market value and securities not readily marketable are valued at fair value as determined by the board of directors. The resulting difference between cost and market (or fair value) is included in income.

Securities Transactions - Commission revenue and related expense arising from securities transactions are recorded on a trade date basis.

Cash Equivalents - Cash equivalents are defined as certificates of deposit and U.S. government obligations with a maturity date, when acquired by the Company, of less than 90 days and those securities registered under the Investment Company Act of 1940 which are comprised of cash and other short-term debt instruments and are commonly referred to as "money market funds."

Concentration of Risk - Substantially all the Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. Due to the strong credit rating of this financial institution, the Company believes it is not exposed to any significant credit risk to cash.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

BOE SECURITIES INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 2 - SECURITIES OWNED, AT MARKET VALUE

Securities owned consist entirely of units registered under the Investment Company Act of 1940 and are reported at market value.

NOTE 3 - RELATED PARTY TRANSACTIONS

As mentioned in Note 1, the Company is a wholly-owned subsidiary of The BOE Group Inc. (Parent). For the year ended March 31, 2005 the Company incurred management fees to the Parent totaling \$249,133.

The Company is also affiliated through common ownership and management with Boe Research, PJR Group and LABB Services.

NOTE 4 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the National Association of Securities Dealers, Inc. the Company is subject to the Uniform Net Capital Rule, which requires the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 1500%. At March 31, 2005 the Company's net capital and required net capital were \$496,109 and \$100,000 respectively. The ratio of aggregate indebtedness to net capital was 38%.

NOTE 5 - INCOME TAXES

The Company reports its income for federal income tax purposes on a consolidated basis with the income of its Parent company, The BOE Group Inc. The Parent assumes all liability for the income tax expense of the consolidated group.

BOE SECURITIES INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 6 - CLEARING AGREEMENTS WITH OFF-BALANCE-SHEET RISK

The Company has entered into agreements with other broker/dealers (Clearing Broker/dealers) whereby the Company forwards (introduces) customer securities transactions to the Clearing Broker/dealers, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced securities transactions are performed by the Clearing Broker/dealers. The customer account is therefore maintained and recorded in the books and records of the Clearing Broker/dealers on the Company's behalf. In consideration for introducing customers to the Clearing Broker/dealers, the Company receives commissions and other consideration, less the processing and other charges of the Clearing Broker/dealers. As part of the terms of the agreement between the Company and Clearing Broker/dealers, the Company is held responsible for any losses arising when the customers introduced by the Company to the Clearing Broker/dealers fail to meet their contractual commitments pertaining to the purchase, sale and possible financing of securities transactions. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations and it is necessary for the Clearing Broker/dealers to purchase or sell the securities at a loss. The Company's exposure to risk would consist of the amount of the loss realized and any additional expenses incurred pertaining to the transaction or other customer activity.

NOTE 7 - PROFIT SHARING PLAN

Effective January 1, 2005, the Company has established a deferred compensation and profit sharing plan commonly referred to as a 401 (k) plan. The plan is on a calendar year basis. The Company contribution to this plan for the period ended March 31, 2005 was \$4,217.

NOTE 8 - PREFERRED STOCK

The Company also has 1000 shares of no par value, nonrecourse preferred stock authorized. None of these authorized shares are outstanding at March 31, 2005.

BOE SECURITIES INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 9 - LEASE COMMITMENTS

Minimum annual rentals under a noncancellable lease for office space, expiring April 30, 2008, exclusive of additional payments which may be required for certain increases in operating and maintenance costs, are as follows:

| <u>Year Ending March 31,</u> | <u>Amount</u> |
|------------------------------|-------------------|
| 2006 | \$ 52,500 |
| 2007 | 53,625 |
| 2008 | 54,750 |
| 2009 | <u>4,641</u> |
| | <u>\$ 165,516</u> |

Occupancy rent expense for the year ended March 31, 2005 was \$80,518.

The company has entered into an agreement for communication services which requires the Company to make minimum annual payments of \$20,400 for years ending March 31, 2006 and 2007.

NOTE 10 - OTHER

63% of the Company's Commission revenue was derived from transactions on behalf of three customers. All of the Company's Securities research fees were received from two financial institutions.