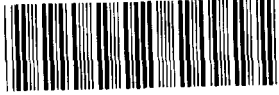
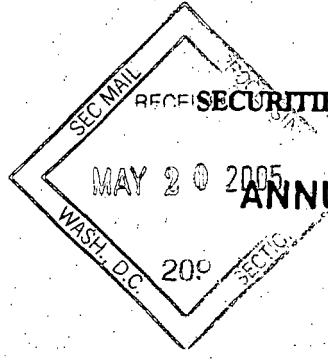


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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 00, 1998  
Estimated average burden  
hours per response . . . 12.00

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

SEC FILE NUMBER  
8 44663

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 01/01/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

SHIELDS Securities, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

WALTHAM WOODS CORPORATE Center, 890 WINTER ST.

(No. and Street)

WALTHAM

MA

02451

(City)

(State)

(Zip Code)

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

JANICE L. SHIELDS MANAGING Director

781.890.7033

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

THOMAS C. VALORIE CPA's

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

253 Main St.

Milford

MA

01757

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

SEP 27 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).

9-27

OATH OR AFFIRMATION

I, Thomas J. Shields, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Shields Securities Inc, as of December 31, 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:

Thomas J. Shields  
Signature  
President  
Title

Richard W. Newman  
Notary Public  
 RICHARD W. NEWMAN  
Notary Public  
COMMONWEALTH OF MASSACHUSETTS  
My Commission Expires August 01, 2008

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 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 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).

6.

SHIELDS SECURITIES, INC.  
COMPUTATION OF NET CAPITAL  
AS OF YEAR ENDED DECEMBER 31, 2004

Ownership Equity:	
Common stock, .01 par; 200,000 shares authorized 10,000 share issued and outstanding	\$ 10,000
Retained earnings	14,257
	<hr/>
Total ownership equity qualified for net capital	24,257
Add: Liabilities subordinated to claims of general creditors allowable in computation of net capital	0
Other deductions or allowable credits	0
	<hr/>
Total capital and allowable subordinated liabilities	24,257
Less: Deductions and/or charges	0
Add: Other additions and/or credits	0
	<hr/>
Net capital before haircuts on securities positions	24,257
Less: Haircuts on securities (computed where applicable, pursuant to 15c3-1(f))	0
	<hr/>
Net capital	<u><u>\$ 24,257</u></u>

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SHIELDS SECURITIES, INC.  
RECONCILIATION OF NET CAPITAL  
AS OF YEAR ENDED DECEMBER 31, 2004

Net capital per Shields Securities, Inc. as of 12/31/04 before audit results.	\$ 25,063
Off-setting adjustments to net capital from audit results:	
Decrease in prepaid insurance	(458)
Increase in accounts payable	(956)
Reverse incorrect entry for nonallowable assets	458
Reverse incorrect entry for other deductions and/or charges	150
Total offsetting adjustments	<u>(806)</u>
Net capital as of 12/31/04 after audit results.	24,257
Less disallowed assets:	
Haircuts	<u>(0)</u>
Net capital reconciled	<u><u>\$ 24,257</u></u>