

U.S. SE



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Information Required of Brokers and Dealers
Pursuant to Section 17 of the Securities Exchange Act of 1934
and Rule 17a-5 Thereunder

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

SEC FILE NO

8-45411

REPORT FOR THE PERIOD BEGINNING

11/1/02

AND ENDING

10/31/03

MM/DD/YY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

RBC Dain Rauscher Inc.

Official Use Only

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:

(Do not use P.O. Box No.)

Dain Rauscher Plaza
60 South Sixth Street

PROCESSED

AUG 19 2004

(No. and Street)

Minneapolis

(City)

Minnesota

(State)

612 55402

(Zip Code)

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

Deborah J. Kermeen

(612) 371-7995

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

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

Deloitte & Touche LLP

120 South Sixth Street

(ADDRESS) Number and Street

Minneapolis

City

MN

State

55402

Zip Code

CHECK ONE:

☒
☐
☐

Certified Public Accountant

Public Accountant

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

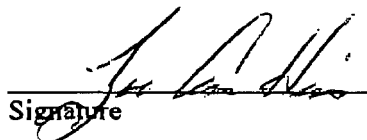
FOR OFFICIAL USE ONLY

*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).

Oath or Affirmation

I, Zoe Ann Hines, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Stephens Inc., as of DECEMBER 31, 2003, 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


Signature

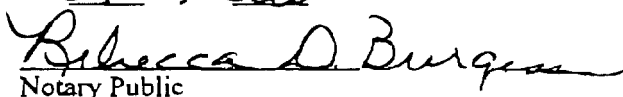
Subscribed and sworn

SENIOR VICE PRESIDENT

to before me

Title

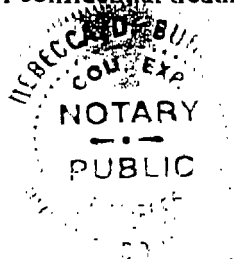
this 24 day of Feb 2004


Notary Public

This report ** contains (check all applicable boxes)

- | | | |
|-------------------------------------|-----|---|
| <input checked="" type="checkbox"/> | (a) | Facing page. |
| <input checked="" type="checkbox"/> | (b) | Statement of financial condition. |
| <input type="checkbox"/> | (c) | Statement of operations. |
| <input type="checkbox"/> | (d) | Statement of cash flows. |
| <input type="checkbox"/> | (e) | Statement of changes in stockholders' equity or partners' or sole proprietor's capital. |
| <input type="checkbox"/> | (f) | Statement of changes in liabilities subordinated to claims of general creditors (not applicable). |
| <input checked="" type="checkbox"/> | (g) | Computation of net capital for brokers and dealers pursuant to Rule 15c3-1. |
| <input type="checkbox"/> | (h) | Computation for determination of reserve requirements pursuant to Rule 15c3-3. |
| <input type="checkbox"/> | (i) | Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3. |
| <input type="checkbox"/> | (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. (not applicable) |
| <input type="checkbox"/> | (k) | A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation (not applicable). |
| <input checked="" type="checkbox"/> | (l) | An oath or affirmation. |
| <input type="checkbox"/> | (m) | A copy of the SIPC supplemental report (not required). |
| <input checked="" type="checkbox"/> | (n) | A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (supplemental report on internal accounting control). |
| <input type="checkbox"/> | (o) | Schedule of segregation requirements and funds in segregation - customers' regulated commodity futures account pursuant to Rule 171-5 (not applicable). |

**For conditions of confidential treatment of certain portions of this filing, see section 240.17e-5(a)(3).



RBC Dain Rauscher Inc.

(SEC I.D. No. 8-45411)

*Consolidated Statement of Financial Condition and
Supplementary Schedules as of October 31, 2003
and Independent Auditors' Report and Supplemental
Report on Internal Control*

*Filed pursuant to Rule 17a-5(e)(3) as a PUBLIC
DOCUMENT*

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(x) (l) An Affirmation.	
() (m) A copy of the SIPC Supplemental Report (not required).	
(x) (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control), bound separately, and included herein.	
() (o) Statement of Segregation Requirements and Finds in Segregation for Customers Trading on U.S. Commodity Exchanges (not required).	
() (p) Statement of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures and Foreign Options Customers (not required).	

AFFIRMATION

I, Lisa A. Ferris, swear (or affirm) that, to the best of my knowledge and belief, the accompanying consolidated financial statements and supplemental schedules pertaining to RBC Dain Rauscher Inc. and subsidiaries for the year ended October 31, 2003, are true and correct. I further swear (or affirm) that, to the best of my knowledge and belief, neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

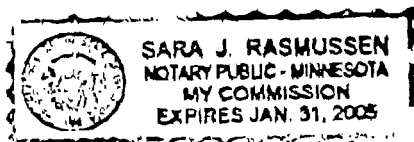
Lisa A. Ferris

Lisa A. Ferris

Executive Vice-President and Chief Operating Officer

Subscribed to before me this
23rd day of December, 2003.

Sara J. Rasmussen
Notary Public



Deloitte & Touche LLP
400 One Financial Plaza
120 South Sixth Street
Minneapolis, Minnesota 55402-1844

Tel: (612) 397-4000
Fax: (612) 397-4450
www.deloitte.com

**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholder
RBC Dain Rauscher Inc.
Minneapolis, Minnesota

We have audited the accompanying consolidated statement of financial condition of RBC Dain Rauscher Inc. and subsidiaries (the "Company") as of October 31, 2003, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.16 under the Commodity Exchange Act. This consolidated financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated 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 financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. Our procedures included a review of the Company's control activities for safeguarding securities. 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, such consolidated statement of financial condition presents fairly, in all material respects, the financial position of RBC Dain Rauscher Inc. and subsidiaries at October 31, 2003, 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 consolidated statement of financial condition taken as a whole. The supplemental schedules g, h, and i listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statement, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934 and the regulations under the Commodity Exchange Act. These schedules are the responsibility of the Company's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic consolidated financial statement and, in our opinion, are fairly stated in all material respects when considered in relation to the basic consolidated financial statement taken as a whole.

Deloitte & Touche LLP

December 22, 2003

RBC DAIN RAUSCHER INC.**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION****OCTOBER 31, 2003****(In thousands, except share and per share information)****ASSETS**

Cash and cash equivalents (Note 2)	\$ 146,188
Receivable from customers (Note 2)	1,321,027
Receivable from brokers, dealers and clearing organizations (Note 3)	131,733
Securities borrowed (Note 3)	556,070
Securities purchased under agreements to resell (Note 2)	251,549
Trading securities owned, at market value (Notes 2 and 4)	857,813
Equipment and leasehold improvements, at cost, net of accumulated depreciation and amortization of \$28,615 (Note 2)	30,045
Other receivables (Note 2)	161,530
Income taxes deferred (Notes 2 and 14)	75,612
Goodwill (Note 2)	142,560
Other assets	<u>26,012</u>
Total assets	<u>\$ 3,700,139</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Drafts payable	\$ 109,496
Payable to customers (Note 2)	813,009
Payable to brokers, dealers and clearing organizations (Note 3)	139,040
Securities loaned (Note 3)	684,251
Securities sold under repurchase agreements (Note 2)	289,605
Trading securities sold, but not yet purchased, at market value (Notes 2 and 4)	285,518
Accrued compensation	332,828
Income taxes payable (Notes 2 and 14)	20,594
Borrowings from affiliate (Note 6)	100,000
Payable to Parent and affiliates, net (Note 11)	17,095
Other accrued expenses	<u>108,175</u>
	2,899,611
Liabilities subordinated to claims of general creditors	<u>240,000</u>
	<u>3,139,611</u>
Shareholder's equity:	
Common stock (\$.125 par value, 100,000 shares authorized, issued and outstanding)	13
Additional paid-in capital	302,250
Accumulated other comprehensive income	7,993
Retained earnings	<u>250,272</u>
	<u>560,528</u>
Total liabilities and shareholder's equity	<u>\$ 3,700,139</u>

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