MORGAN GROUP HOLDING CO
Form 10-K
March 31, 2005

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004   Commission file number 333-73996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ------- to ------

MORGAN GROUP HOLDING CO.
(Exact name of Registrant as specified in its charter)

Delaware	13-4196940
State of other jurisdiction incorporation or organization	(I.R.S. Employer Identification No.)
401 Theodore Fremd Avenue, Rye, NY	10580
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (914) 921-1877

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No --

Indicate by mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No X

As of June 30, 2004, the aggregate market value of the Registrant's voting and nonvoting common equity held by non-affiliates of the Registrant was approximately $175,700, which value, solely for the purposes of this calculation, excludes shares held by the Registrant's officers, directors, and their affiliates. Such exclusion should not be deemed a determination or an admission by the issuer that all such individuals are, in fact, affiliates of the issuer.

The number of outstanding shares of the Registrant's Common Stock was 3,055,345 as of March 25, 2005.

PART I

Item 1. Business.

Morgan Group Holding Co. (the "Company" or "MGHL") was incorporated in November 2001 to serve, among other business purposes, as a holding company for Lynch Interactive Corporation's controlling interest in The Morgan Group, Inc. ("Morgan"). Upon the Company's formation as a wholly owned subsidiary of Lynch Interactive Corporation, Lynch Interactive Corporation made a capital contribution to MGHL of $500,000. Lynch Interactive Corporation also transferred to us 161,100 shares of The Morgan Group, Inc.'s outstanding Class A common stock, warrants to purchase an additional 161,100 such shares at $9.00 per share, 2,200,000 shares of The Morgan Group, Inc.'s Class B common stock and warrants to purchase an additional 2,200,000 such shares at $9.00 per share, giving MGHL control of more than 80% of The Morgan Group, Inc.'s aggregate voting power. On January 24, 2002, Lynch Interactive spun off all but 235,294 of its shares in MGHL to its stockholders. Morgan managed the delivery of manufactured homes, commercial vehicles and specialized equipment.

Unfortunately, a combination of industry dynamics, poor management decisions, and a surge in insurance costs crippled Morgan. On October 3, 2002 Morgan ceased operations when its liability insurance expired and it was unable to secure replacement insurance. On October 18, 2002, The Morgan Group, Inc. and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division. As of December 31, 2004, the Debtors were continuing to conduct an orderly liquidation of their assets.

Effective October 15, 2002, the shares of Morgan, Class A Common Stock were delisted from the American Stock Exchange. The stock exchange determined that The Morgan Group, Inc.'s Class A Common Stock no longer satisfied Sections 1002, 1003 and 1009 of the listing rules.

On November 12, 2002, Morgan filed a Certification and Notice of Termination of Registration under Section 12(g) of the Securities Exchange Act of 1934.

The Company expects that its ownership interest in Morgan will have no residual value upon completion of the liquidation of the assets of The Morgan Group Inc. The Company's strategy is to look for additional investment opportunities. However the loss did yield a capital loss of about $4 million.

Risk Factors That May Affect Future Results

The Company operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. The following discussion highlights the most material of the risks.

We have no substantial assets for operations.

As of December 31, 2004, the Company's only assets consisted of $401,000 in cash and an unrecognized asset relating to capital loss carry forward of about $4 million. This amount is insufficient to maintain commercially reasonable operations. In addition, the Company has no product to sell and has no revenue.

We need additional financing.

The Company has very limited funds, and such funds may not be adequate to take advantage of any available business opportunities. Even if the Company's currently available funds prove to be sufficient until it is able to acquire an interest in, or complete a transaction with, a business opportunity, such funds will not be sufficient to enable it to exploit the opportunity. There is no assurance that additional capital will be available from any source or, if available, that it can be obtained on terms acceptable to the Company. If additional funds are not available, the Company's operations will be limited to those that can be financed with its modest capital.

There are conflicts of interest inherent in our existence as a company and acquisition candidate.

Certain conflicts of interest exist between the Company and its officers and directors. Such individuals have other business interests to which they currently devote attention, and are expected to continue to do so. Consequently, conflicts of interest may arise that can be resolved only through their exercise of judgment in a manner which is consistent with their fiduciary duties to the Company.

It is anticipated that the Company's principal stockholders may actively negotiate or otherwise consent to the purchase of a portion of their common stock as a condition to, or in connection with, a proposed merger or acquisition transaction. In this process, the Company's principal stockholders may consider their own personal pecuniary benefit rather than the best interest of other Company stockholders. Depending upon the nature of a proposed transaction, Company stockholders other than the principal stockholders may not be afforded the opportunity to approve or consent to a particular transaction.

There is no assurance of success or profitability.

There is no assurance that the Company will acquire a favorable business opportunity. Should the Company become involved in a business opportunity, there is no assurance that it will generate revenues or profits, or that the market price of the Company's outstanding shares will be increased thereby.

The potential business opportunity has not been identified and may be highly risky.

The Company has not identified, nor has it initiated, any commitments to enter into or acquire a specific business opportunity. As a result, it is only able to make general disclosures concerning the risks and hazards of acquiring a business opportunity, rather than providing disclosure with respect to specific risks and hazards. As a general matter, prospective investors can expect any potential business opportunity to be quite risky.

The type of business opportunity that may be acquired presents certain risks.

The type of business to be acquired may be one that desires to avoid effecting its own public offering and the accompanying expense, delays, uncertainties, and onerous federal and state requirements. Because of the Company's limited capital, it is more likely than not that any acquisition by the Company will involve other parties whose primary interest is the acquisition of control of a publicly traded company. Moreover, any business opportunity acquired may be currently unprofitable or present other negative factors.

Item 2. Properties.

The Company owns no properties.

Item 3. Legal Proceedings.

The Company is not a party to any legal proceedings.

Item 4. Submission of Matters To a Vote of Security Holders.

None during the fourth quarter of 2004.

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PART II

Item 5. Market For The Registrant's Common Equity And Related Stockholder Matters.

The common stock commenced trading on the over-the-counter market on February 21, 2002. The following table sets forth the high and low market prices of the common stock for the periods indicated, as reported by published sources.

	High	Low
2004 Fiscal Year		
First Quarter	$ 0.10	$ 0.10
Second Quarter	$ 0.10	$ 0.06
Third Quarter	$ 0.07	$ 0.06
Fourth Quarter	$ 0.08	$ 0.07
2003 Fiscal Year		
First Quarter	$ 0.070	$ 0.050
Second Quarter	$ 0.140	$ 0.065
Third Quarter	$ 0.140	$ 0.080
Fourth Quarter	$ 0.110	$ 0.100

As of March 25, 2005, there were approximately 815 holders of record of the Company's common stock.

The Company has never declared a cash dividend on its common stock and its

Board of Directors does not anticipate that it will pay cash dividends in the foreseeable future.

The Company has never repurchased any of its equity securities and does not anticipate that it will do so in the foreseeable future.

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Item 6. Selected Financial Data.

Morgan Group Holding Co.
Selected Financial Data
(Dollars and shares in thousands, except per share amounts)

	December 31, (		
	2004	2003	2002
Administrative expenses	$ (2)	$ (35)	$ (64)
Investment income	4	3	6
Income (loss) from continuing operations	2	(32)	(58)
.			
Discontinued operations:			
Loss from operations before cumulative effect of accounting change of The Morgan Group, Inc. - net of income tax benefit (provision) of$--, $--, $1,125, $910, and $(2,277) respectively, and minority interests of $--, $--, $3,021, $603, and $2,133	--	--	(5,358)
Cumulative effect of accounting change at The Morgan Group Inc., net of minority interests of $722	--	--	(1,568)
Gain from the adoption of liquidation basis of accounting at The Morgan Group, Inc.	--	--	2,182
Net income (loss)	$ 2	$ (32)	$(4,802)
Basic and diluted loss per share:			
Income (loss) from continuing operations	$ 0.00	$ (0.01)	$ (0.02)
Loss from operations before cumulative effect of accounting change of The Morgan Group, Inc.	--	--	(1.75)
Cumulative effect of accounting change at The Morgan Group, Inc.	--	--	(0.52)
Gain from the adoption of liquidation basis of accounting at The Morgan Group Inc.	--	--	0.71
Net income (loss) per common share	$ 0.00	$ (0.01)	$ (1.57)
Weighted average shares outstanding	3,055	3,055	3,055

	December 31, (1		
	2004	2003	2002
Cash	$ 401	$ 399	$ 433
Total Assets	$ 401	$ 399	$ 433
Stockholders Equity	$ 401	$ 399	$ 431
Equity, Investments by and advances from Lynch Interactive Corporation	$ --	$ --	$ --

(1) We were incorporated in November 2001 to serve as a holding company for Lynch Interactive Corporation's controlling interest in The Morgan Group, Inc. The transfer of the controlling interest was made to us on December 18, 2001. The accompanying combined financial data represents the combination, on a retroactive basis, of all of Lynch Interactive Corporation's interest in The Morgan Group, Inc. and the consolidated financial statements of The Morgan Group, Inc. as if the transfer by Lynch

Interactive Corporation occurred on January 1, 1998. Subsequent to December 18, 2002, the financial statements represent the consolidated results of the Company. During 2002, due to Morgan's ceasing operations, its financial results are treated as discontinued operations in the above data. On October 18, 2002, Morgan filed for bankruptcy and adopted the liquidation basis of accounting and the Company deconsolidated Morgan at that point.

Item 7. Management's Discussion and Analysis of Financial Condition and Plan of Operation.

Overview

The Company was incorporated in November 2001 as a wholly-owned subsidiary of Lynch Interactive Corporation ("Interactive") to serve as an acquisition vehicle. Initially, we received $500,000 cash and 68.5% of The Morgan Group, Inc. (Morgan)'s equity interest and 80.8% of Morgan's voting interest. On January 24, 2002, Interactive spun off 2,820,051 shares of our common stock through a pro rata distribution ("Spin-Off") to its stockholders. Interactive retained 235,294 shares at the time of the spin-off.

A combination of industry dynamics, poor management decisions, and a surge in insurance costs crippled Morgan. On October 3, 2002 Morgan ceased operations when its liability insurance expired and it was unable to secure replacement insurance. On October 18, 2002, Morgan and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division for the purpose of conducting an orderly liquidation of Morgan's assets.

As Morgan is in the process of liquidation, in the accompanying financial statements the assets and liabilities and results of operations of Morgan have been reflected as a discontinued operation. In addition, the Company's management currently believes that it is very unlikely that the Company will realize any value from its equity ownership in Morgan. Given the fact that Holding has no obligation or intention to fund any of Morgan's liabilities, management believes that the Company's investment in Morgan will have no value after the liquidation. As the liquidation of Morgan is under the control of the bankruptcy court, the Company believes it has relinquished control of Morgan and accordingly has ceased consolidating the financial statements of Morgan. The Company's investment in Morgan was a negative of $2,182,000 at the date of adoption of the plan of liquidation, this resulted in a gain to Holdings of that amount in 2002.

On October 18, 2002, Morgan adopted the liquidation basis of accounting and accordingly, Morgan's assets and liabilities have been adjusted to estimate net realizable value. As the carry value of Morgan's liabilities exceeded the fair value of its assets, the liabilities were reduced to equal the estimated net realizable value of the assets.

As of December 31, 2004, the Company's only assets consisted of $401,000 in cash and an unrecognized asset relating to capital loss carryforward of about $4 million.

The Company currently has no operating businesses and will seek acquisitions as part of its strategic alternatives. Its only costs are the administrative expenses required to make the regulatory filings needed to maintain its public status. These costs are estimated at $25,000 to $50,000 per year.

Results of Operations

For the year ended December 31, 2004, the Company incurred administrative expenses of $2,000 as compared to $35,000 in 2003 and $64,000 during the year ended December 31, 2002, when additional non-recurring professional fees were incurred.

Investment income of $4,000, $3,000 and $6,000 was recorded during the three years ended December 31, 2004 respectively as a result of the Company's investment in a United States Treasury money market fund.

Item 8. Financial Statements and Supplementary Data.

Financial Statements

Morgan Group Holding Co.
Balance Sheets
(Dollars in thousands, except per share amounts)

	December 31, 2004	December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 401	$ 399
Total current assets	401	399
Net assets of The Morgan Group, Inc.	--	--
Total assets	$ 401	$ 399
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities:		
Accrued expenses	$ --	$ --
Total current liabilities	--	--
SHAREHOLDERS' EQUITY		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none outstanding	--	--
Common stock, $0.01 par value, 10,000,000 shares authorized, 3,055,345 outstanding	30	30
Additional paid-in-capital	5,612	5,612
Accumulated deficit	(5,241)	(5,243)
Total shareholders' equity	401	399
Total liabilities and shareholders' equity	$ 401	$ 399

See notes to financial statements

Morgan Group Holding Co.
Statements of Operations
(Dollars and shares in thousands, except per share amounts)

	Year Ending December 31, 2004	2003	200
Administrative expenses	$ (2)	$ (35)	$ (64

Investment income	4	3	6
Income (loss) from continuing operations	2	(32)	(58
Discontinued operations (Notes 1 and 2):			
Income (loss) from operations before cumulative effect of accounting change of The Morgan Group, Inc. - net of income tax benefit (provision) of $1,125 and minority interests of $3,021	--	--	(5,358
Cumulative effect of accounting change at The Morgan Group Inc., net of minority interests of $722	--	--	(1,568
Gain from the deconsolidation of The Morgan Group, Inc.	--	--	2,182
Net income (loss)	$ 2	$ (32)	$(4,802
Basic and diluted loss per share:			
Income (loss) from continuing operations	$ --	$ (0.01)	$ (0.02
Loss from operations before cumulative effect of accounting change of The Morgan Group, Inc.	--	--	(1.75
Cumulative effect of accounting change at The Morgan Group, Inc	--	--	(0.52
Gain from the deconsolidation of The Morgan Group Inc.	--	--	0.71
Net income (loss) per common share	$ --	$ (0.01)	$ (1.57
Weighted average shares outstanding	3,055	3,055	3,055

See accompanying notes

Morgan Group Holding Co.
Statements of Cash Flows
(Dollars in thousands)

	Year Ending December 31,		
	2004	2003	2002
Operating activities:			
Net Profit (loss)	$ 2	$ (32)	$(4,802)
Adjustments to reconcile net loss to net cash used in operating activities:			
Increase (decrease) in accrued expenses	--	(2)	2
Non-cash items and changes in operating assets and liabilities relating to the operations of The Morgan Group, Inc.	--	--	3,082
Net cash provided by (used in) operating activities	2	(34)	(1,718)
Investing activities:			

Investment in the Morgan Group Inc.	--	--	(11)
Investing activities relating to operations of The Morgan Group, Inc.	--	--	453
Net cash provided by (used in) investing activities	--	--	442
Financing activities:			
Financing activities relating to operations of The Morgan Group, Inc.	--	--	1,209
Net cash provided by financing activities	--	--	1,198
Net increase (decrease) in cash and equivalents	2	(34)	(67)
Cash and cash equivalents at beginning of period	399	433	500
Cash and cash equivalents at end of period	$ 401	$ 399	$ 433

See accompanying notes

Morgan Group Holding Co.
Statements of Equity, Investments by and
Advances from Lynch Interactive Corporation
(Dollars in thousands)

	Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Accumulated Deficit	
Balance at January 1, 2002	3,055,345	$ 30	$ 5,614	$ (409)	$
Capital transactions of The Morgan Group, Inc.	--	--	(2)	--	
Net Loss for year ended December 31, 2002	--	--	--	(4,802)	
Balance at December 31, 2002	3,055,345	30	5,612	(5,211)	
Net loss for year end December 31, 2003	--	--	--	(32)	
December 31, 2003	3,055,345	30	$ 5,612	$ (5,243)	$
Net income for year ended December 31,2004	--	--	--	2	
December 31, 2004	3,055,045	$ 30	$5612	$ (5,241)	$

See accompanying notes.

Morgan Group Holding Co.
Notes to Financial Statements

Note 1. Basis of Presentation

Morgan Group Holding Co. ("Holding" or "the Company") was incorporated in November 2001 as a wholly-owned subsidiary of Lynch Interactive Corporation ("Interactive") to serve, among other business purposes, as a holding company for Interactive's controlling interest in The Morgan Group, Inc. ("Morgan"). On December 18, 2001, Interactive's controlling interest in Morgan was transferred to Holding. At the time, Holding owned 68.5% of Morgan's equity interest and 80.8% of Morgan's voting interest. On January 24, 2002, Interactive spun off 2,820,051 shares of our common stock through a pro rata distribution ("Spin-Off") to its stockholders. Interactive retained 235,294 shares of our common stock to be distributed in connection with the potential conversion of a convertible note that had been issued by Interactive. Such note was repurchased by Interactive in 2002 and Interactive retains the shares.

On October 3, 2002, Morgan ceased its operations when its liability insurance expired and it was unable to secure replacement insurance. On October 18, 2002, Morgan and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division for the purpose of conducting an orderly liquidation of Morgan's assets.

As Morgan has ceased operations and is in the process liquidating itself, in the accompanying financial statements, the assets and liabilities and results of operations of Morgan have been reflected as a discontinued operation. In addition, Holding's management currently believes, it is very unlikely that it will realize any value from its equity ownership in Morgan, and given the fact that Holding has no obligation or intention to fund any of Morgan's liabilities, its investment in Morgan was believed to have no value after the liquidation. As the liquidation of Morgan is under the control of the bankruptcy court, the Company believes it has relinquished control of Morgan and accordingly, has ceased consolidating the financial statements of Morgan. As Holding's investment in Morgan was a negative $2,182,000, at the date of adoption of the plan of liquidation, this resulted in a gain to Holding of that amount.

On October 18, 2002, Morgan adopted the liquidation basis of accounting and, accordingly, Morgan's assets and liabilities have been adjusted to estimate net realizable value. As the carry value of Morgan's liabilities exceeded the fair value of its assets, the liabilities were reduced to equal the estimated net realizable value of the assets.

Significant intercompany accounts and transactions have been eliminated in combination/consolidation.

Net loss per common share ("EPS") is computed using the number of common shares issued in connection with the Spin-Off as if such shares had been outstanding for all periods presented.

All highly liquid investments with maturity of three months or less when purchased are considered to be cash equivalents. The carrying value of cash equivalents approximates its fair value based on its nature.

At December 31, 2004 and 2003 all cash and cash equivalents were invested in a United States Treasury money market fund, which an affiliate of the Company serves as the investment manager.

At December 31, 2004 and 2003, the carrying value of financial instruments such as cash and cash equivalents, accounts receivable, trade payables and long-term debt approximates their fair values. Fair value is determined based on expected future cash flows, discounted at market interest rates, and other appropriate valuation methodologies.

The accompanying unaudited consolidated financial statements reflect, in the opinion of management, all adjustments (consisting of normal recurring items) necessary for a fair presentation, in all

material respects, of the financial position and results of operations for the periods presented. The preparation of financial statements in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities, the 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.

The financial statements include the accounts of the Company and through October, 18, 2002, its majority owned subsidiary, Morgan. Morgan has the following subsidiaries: Morgan Drive Away, Inc., TDI, Inc., Interstate Indemnity Company, and Morgan Finance, Inc., all of which are wholly owned. Morgan Drive Away, Inc. has two subsidiaries, Transport Services Unlimited, Inc. and MDA Corp. Significant intercompany accounts and transactions have been eliminated in consolidation. During 2002, Morgan is treated as a discontinued operations and previously issued financial statements have been restated to reflect that presentation.

Note 2. Net assets of Discontinued Operation

At December 31, 2004 and 2003, the estimated value of Morgan's assets in liquidation were insufficient to satisfy its estimated obligations.

Note 3. Goodwill Impairment

On January 1, 2002, Morgan adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). This Standard eliminates goodwill amortization and requires an evaluation of goodwill for impairment (at the reporting unit level) upon adoption of the Standard, as well as subsequent evaluations on an annual basis, and more frequently if circumstances indicate a possible impairment. This impairment test is comprised of two steps. The initial step is designed to identify potential goodwill impairment by comparing an estimate of the fair value of the applicable reporting unit to its carrying value, including goodwill. If the carrying value exceeds fair value, a second step is performed, which compares the implied fair value of the applicable reporting unit's goodwill with the carrying amount of that goodwill, to measure the amount of goodwill impairment, if any. Upon adoption, Morgan performed the transitional impairment test which resulted in an impairment of $2,290,000 which is classified as a cumulative effect of a change in accounting principle for the year ended December 31, 2002, as required by SFAS No. 142.

Note 4. Issuance of Non-transferable Warrants

On December 12, 2001, Morgan issued non-transferable warrants to purchase shares of common stock to the holders of Class A and Class B common stock. Each warrant entitled the holder to purchase one share of their same class of common stock at an exercise price of $9.00 per share through the expiration date of December 12, 2006. The Class A warrants provided that the exercise price would be reduced to $6.00 per share during a Reduction Period of at least 30 days during the five-year exercise period.

On February 19, 2002, Morgan's Board of Directors agreed to set the exercise price reduction period on the Class A warrants to begin on February 26, 2002 and to extend for 63 days, expiring on April 30, 2002 (the "Reduction Period"). Morgan's Board of Directors agreed to reduce the exercise price of the warrants to $2.25 per share, instead of $6.00 per share, during the Reduction Period. Morgan's Board of Directors reduced the exercise price to $2.25 to give warrant holders the opportunity to purchase shares at a price in the range of recent trading prices of the Class A common stock. All other terms regarding the warrants, including the expiration date of the warrants, remain the same. As of the close of the temporary Reduction Period on April 30, 2002, Morgan received $535,331 with the exercise of 237,925 warrants at $2.25 each. The Company exercised 5,000 of its warrants. Subsequent to the exercise, the Company owned 64.2% of Morgan's equity interest and 77.6% of Morgan's voting ownership. Unexercised warrants remain outstanding and exercisable at $9.00 each.

Note 5. Income Taxes

No income tax benefit has been recorded in the accompanying financial statements as the realization of such losses, for income tax purposes, is dependent upon the generation of future taxable income during the period when such losses would be deductible. Therefore, the recording of the deferred tax asset of $1.5 million would be inconsistent with applicable accounting rules.

Note 6. Segment Reporting

As the results of operations of the Morgan Group are currently being accounted for as discontinued operation and the Holding currently have limited operations there is no Segment Reporting.

Note 7. Commitments and Contingencies

Holding has not guaranteed any of the obligations of Morgan and it has no further commitment or obligation to fund any creditors.

Item 9. Changes in and Disagreements With Accountants on Accounting and

Financial Disclosure.

Not Applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The following table sets forth the name, business address, present principal occupation, employment history, positions, offices or employments for the past five years and ages as of March 25, 2004 for our executive officers and directors. Members of the board are elected and serve for one year terms or until their successors are elected and qualify.

Name	Age	Position
Mario J. Gabelli	62	Chief Executive Officer and Director
Robert E. Dolan	53	Chief Financial Officer and Director

Mario J. Gabelli has served as Chairman and Chief Executive Officer of Lynch Interactive since December 2004 (and also from September 1999 to December 2002) and Vice Chairman and Chief Executive Officer from December 2002 to December 2004. He is also the Vice Chairman (and from 1986 to August 2001 Chairman and Chief Executive Officer) of Lynch Corporation; Chairman, Chief Executive Officer, Chief Investment Officer and a director of Gabelli Asset Management Inc. and its predecessors (since November 1976) (and in connection with those responsibilities, he serves as director or trustee and/or an officer of registered investment companies managed by subsidiaries of Gabelli Asset Management); and Chairman and Chief Executive Officer of Gabelli Group Capital Partners, Inc., a private company.

Robert E. Dolan has served as Chief Financial Officer since January 2004; Chief Financial Officer and Controller from September 1999 to January 2004; Chief Financial Officer (1992-2000) and Controller (1990-2000) of Lynch Corporation.

Compensation of Directors

The Company does not compensate its directors at the present time, although it may do so in the future. The Company does, however, indemnify directors pursuant to Delaware law and may reimburse them for certain out-of-pocket costs in connection with serving as directors.

Indemnification of Directors and Officers

Under Section 145 of the Delaware General Corporation Law, the Company has broad powers to indemnify its directors and officers against liabilities they may incur in such capacities. The Company's certificate of incorporation provides that its directors and officers shall be indemnified to the fullest extent permitted by the Delaware law. The certificate of incorporation also provides that the Company shall, to the fullest extent permitted by Delaware law, as amended from time to time, indemnify and advance expenses to each of its currently acting and former directors, officers, employees and agents.

Delaware law provides that a corporation may limit the liability of each director to the corporation or its stockholders for monetary damages except for liability:

- for any breach of the director's duty of loyalty to the corporation or its stockholders,
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law,
- in respect of certain unlawful dividend payments or stock redemptions or repurchases and
- for any transaction which the director derives an improper personal benefit.

The Company's certificate of incorporation provides for the elimination and limitation of the personal liability of its directors for monetary damages to the fullest extent permitted by Delaware law. In addition, the certificate of incorporation provides that if Delaware law is amended to authorize the further elimination or limitation of the liability of a director, then the liability of our directors shall be eliminated or limited to the fullest extent permitted by Delaware law, as amended. The effect of this provision is to eliminate the Company's rights and its stockholders rights, through stockholders' derivative suits, to recover monetary damages against a director for breach of the fiduciary duty of care as a director, except in the situations described above. This provision does not limit or eliminate the Company's rights or its stockholders' rights to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted for its directors, officers, and controlling persons, pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission this sort of indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is therefore unenforceable.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents where indemnification will be required or permitted.

Item 11. Executive Compensation.

The Company does not pay any compensation to any person, including its directors and executive officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information concerning ownership of our common stock as of March 25, 2004 by each person known by us to be the beneficial owner of more than five percent of the common stock, each director, each executive officer, and by all directors and executive officers as a group. We believe that each stockholder has sole voting power and sole dispositive power with respect to the shares beneficially owned by him. Unless otherwise indicated, the address of each person listed below is 401 Theodore Fremd Avenue, Rye, New York 10580.

Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Ownership
Mario J. Gabelli	858,384(1)	28.1%
Robert E. Dolan	579(2)	**
Lynch Interactive Corporation	235,294	9.7%
All directors and executive officers as a group (2 in total)	858,963	28.1%

** Less than 1%

(1) Represents 283,090 shares of common stock owned directly by Mr. Gabelli, 340,000 shares owned by a limited partnership in which Mr. Gabelli is the general partner and has approximately a .625% interest, and 235,294 shares owned by Lynch Interactive Corporation (Mr. Gabelli is a "control person" of Lynch Interactive Corporation and therefore shares owned by Lynch Interactive Corporation are set forth in the table as also beneficially owned by Mr. Gabelli). Mr. Gabelli disclaims beneficial ownership of the shares owned by the partnership and Lynch Interactive Corporation, except for his interest therein.

(2) Includes 70 shares registered in the name of Mr. Dolan's children with respect to which Mr. Dolan has voting and investment power and 109 shares owned by Mr. Dolan through the Lynch Interactive Corporation 401(k) Savings Plan.

Item 13. Certain Relationships and Related Transactions.

Each of our directors and officers is also an officer of Lynch Interactive Corporation.

On December 18, 2001, Lynch Interactive Corporation made a capital contribution to us of $500,000 and assigned to us a services agreement with The Morgan Group, Inc. pursuant to which The Morgan Group, Inc. agreed to pay $100,000 per year for certain management services. The Morgan Group, Inc. has not made any payments under this agreement since the first quarter of 2001 and as a result of the bankruptcy and liquidation of its assets, the Company does not expect to recover any amounts due under such agreement.

Immediately after the spin-off, Lynch Interactive Corporation retained 235,294 shares of the Company's common stock, which it held as escrow agent for Cascade Investment LLC, the holder of an outstanding convertible promissory note issued by Lynch Interactive Corporation. In the event that Cascade Investment LLC converted all

or a portion of the principal amount of that note into shares of Lynch Interactive Corporation common stock prior to December 10, 2004, Lynch

Interactive Corporation would have transferred to Cascade Investment LLC a pro rata portion of those 235,294 shares of common stock, depending on how much of the principal amount of such note was converted, to Cascade Investment LLC. However, on November 29, 2002, Lynch Interactive repurchased the remaining outstanding principal amount such notes from Cascade Investment LLC and, as a result, the 235,294 shares will be retained by Lynch Interactive Corporation. Lynch Interactive Corporation has advised the Company that it will sell or dispose of any shares of our common stock retained by it prior to the fifth anniversary of the spin-off.

Item 14. Principal Accountant Fees and Services.

The Company did not engage an independent auditor to audit its financial statements for the year ended December 31, 2004 and did not incur any audit fees, audit-related fees, tax fees or other fees.

PART IV

Item 15. Exhibits, Financial Statements, Schedules And Reports On Form 8-K.

(a) The following documents are filed as part of this Report:

(1) Financial Statements.

See Item 8.

(2) Financial Statement Schedules.

None

(3) Exhibits.

Exhibit Number	Description
3.1	Certificate of Incorporation of the Company*
3.2	By-laws of the Company*
4.1	Revolving Credit and Term Loan Agreement, dated January 28, 1999, among The Morgan Group, Inc. and Subsidiaries and Bank Boston, N.A., is incorporated by reference to Exhibit 4(1) to The Morgan Group, Inc.'s Current Report on Form 8-K filed February 12, 1999.
4.2	Guaranty, dated January 28, 1999, among The Morgan Group, Inc. and Subsidiaries and BankBoston, N.A. is incorporated by reference to Exhibit 4(2) to The Morgan Group, Inc.'s Current Report on Form 8-K filed February 12, 1999.
4.3	Security Agreement, dated January 28, 1999, among The Morgan Group, Inc. and Subsidiaries and BankBoston, N.A. is incorporated by reference to Exhibit 4(3) to The Morgan Group, Inc.'s Current Report on Form 8-K filed February 12, 1999.

4.4 Stock Pledge Agreement, dated January 28, 1999, among The Morgan Group, Inc. and Subsidiaries and BankBoston, N.A. is incorporated by reference to Exhibit 4(4) to The Morgan Group, Inc.'s Current Report on Form 8-K filed February 12, 1999.

4.5 Revolving Credit Note, dated January 28, 1999, among The Morgan Group, Inc. and Subsidiaries and BankBoston, N.A. is incorporated by reference to Exhibit 4(5) to The Morgan Group, Inc.'s Current Report on Form 8-K filed February 12,1999.

4.6 Amendment Agreement No. 1 to that Certain Revolving Credit Agreement and Term Loan Agreement among The Morgan Group, Inc. and its Subsidiaries and BankBoston dated as of March 31, 2000, is incorporated by reference to Exhibit 4.9 to The Morgan Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000.

4.7 Amendment Agreement No. 2 to that Certain Revolving Credit Agreement and Term Loan Agreement among The Morgan Group, Inc. and its Subsidiaries and BankBoston dated as of November 10, 2000, is incorporated by reference to Exhibit 4.10 to The Morgan Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000.

4.8 Form of Class A Warrant Certificate is incorporated by reference to Exhibit 4.11 of Amendment No. 1 to The Morgan Group, Inc.'s Registration Statement on Form S-2, File No. 333-63188, filed August 15, 2001.

4.9 Form of Warrant Services Agreement between The Morgan Group, Inc. and American Stock Transfer and Trust Company is incorporated by reference to Exhibit 4.12 of Amendment No. 1 to The Morgan Group, Inc.'s Registration Statement on Form S-2, File No. 333-63188, filed August 15, 2001.

4.10 Revolving Credit and Security Agreement, dated July 27, 2001, among GMAC Commercial Credit LLC, Morgan Drive Away, Inc. and TDI, Inc., is incorporated by reference to Exhibit 4.1 to The Morgan Group, Inc.'s Quarterly Report on Form 10-Q for the period ended June 30, 2001, filed August 14, 2001.

4.11 Guaranty, dated July 27, 2001, between The Morgan Group, Inc. and GMAC Commercial Credit LLC, is incorporated by reference to Exhibit 4.2 to The Morgan Group, Inc.'s Quarterly Report on Form 10-Q for the period ended June 30, 2001, filed August 14, 2001.

4.12 Letter of Credit Financing Supplement to Revolving Credit Agreement, dated July 27, 2001, among GMAC Commercial Credit LLC, Morgan Drive Away, Inc., and TDI, Inc., is incorporated by reference to Exhibit 4.2 to The Morgan Group, Inc.'s Quarterly Report on Form 10-Q for the period ended September 30, 2001.

4.13 Amendment to that certain Revolving Credit and Security Agreement among GMAC Commercial Credit, LLC, Morgan Drive Away, Inc., and TDI, Inc., dated as of November 8, 2001, is incorporated by reference to Exhibit 4.1 to The Morgan Group, Inc.'s Quarterly Report on Form 10-Q for the period ended September 30, 2001.

4.14 Mortgage, dated July 31, 2001, between Morgan Drive Away, Inc. and Old Kent Bank, is incorporated by reference to Exhibit 4.3 to The Morgan

Group, Inc.'s Quarterly Report on Form 10-Q for the period ended June 30, 2001, filed August 14, 2001.

4.15 Guaranty, dated July 31, 2001, between The Morgan Group, Inc. and Old Kent Bank, is incorporated by reference to Exhibit 4.4 to The Morgan Group, Inc.'s Quarterly Report on Form 10-Q for the period ended June 30, 2001, filed August 14, 2001.

10.1 Separation and Distribution Agreement, dated as of December ___, 2001 by and among Lynch Interactive Corporation, Morgan Group Holding Co. and The Morgan Group, Inc.*

10.2 The Morgan Group, Inc. Incentive Stock Plan is incorporated by reference to Exhibit 10.1 to The Morgan Group, Inc.'s Registration Statement on Form S-1, File No. 33-641-22, effective July 22, 1993.

10.3 First Amendment to The Morgan Group, Inc. Incentive Stock Plan is incorporated by reference to Exhibit 10.1 to The Morgan Group, Inc.'s Quarterly Report on Form 10-Q for the period ended September 30, 1997, filed November 14, 1997.

10.4 Memorandum to Charles Baum and Philip Ringo from Lynch Corporation, dated December 8, 1992, respecting Bonus Pool, is incorporated by reference to Exhibit 10.2 to The Morgan Group, Inc.'s Registration Statement on Form S-1, File No. 33-641-22, effective July 22, 1993.

10.5 Term Life Policy from Northwestern Mutual Life Insurance Company insuring Paul D. Borghesani, dated August 1, 1991, is incorporated by reference to Exhibit 10.4 to The Morgan Group, Inc.'s Registration Statement on Form S-1, File No. 33-641-22, effective July 22, 1993.

10.6 Long Term Disability Insurance Policy from Northwestern Mutual Life Insurance Company, dated March 1, 1990, is incorporated by reference to The Morgan Group, Inc.'s Registration Statement on Form S-1, File No. 33-641-22, effective July 22, 1993.

10.7 Long Term Disability Insurance Policy from CNA Insurance Companies, effective January 1, 1998 is incorporated by reference to Exhibit 10.6 to The Morgan Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997, filed March 31, 1998.

10.8 The Morgan Group, Inc. Employee Stock Purchase Plan, as amended, is incorporated by reference to Exhibit 10.16 to The Morgan Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1994, filed on March 30, 1995.

10.9 Consulting Agreement between Morgan Drive Away, Inc. and Paul D. Borghesani, effective as of April 1, 1996, is incorporated by reference to Exhibit 10.19 The Morgan Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995, filed on April 1, 1996.

10.10Employment Agreement, dated January 12, 2000 between The Morgan Group, Inc. and Anthony T. Castor, III is incorporated by reference to Exhibit 10.9 to The Morgan Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1999.

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10.12 Management Agreement between Skandia International and Risk Management (Vermont), Inc. and Interstate Indemnity Company, dated December 15, 1992, is incorporated by reference to Exhibit 10.12 to The Morgan Group, Inc.'s Registration Statement on Form S-1, File No. 33-641-22, effective July 22, 1993.

10.13 Agreement for the Allocation of Income Tax Liability between Lynch Corporation and its Consolidated Subsidiaries, including The Morgan Group (formerly Lynch Services Corporation), dated December 13, 1988, as amended, is incorporated by reference to Exhibit 10.13 The Morgan Group, Inc.'s Registration Statement on Form S-1, File No. 33-641-22, effective July 22, 1993.

10.14 Certain Services Agreement, dated January 1, 1995, between Lynch Corporation and The Morgan Group, Inc.*

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* Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-1 (Registration No. 333-73996).

(b) Exhibits.

See Item 15 (a)(3).

(c) Financial Statement Schedules.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MORGAN GROUP HOLDING CO.

By: /s/ Robert E. Dolan

ROBERT E. DOLAN
Chief Financial Officer (Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Mario J. Gabelli --------------------- MARIO J. GABELLI	Chief Executive Officer (Principal Executive Officer) and Director	March 31, 2005

/s/ Robert E. Dolan -------------------- ROBERT E. DOLAN	Chief Financial Officer (Principal Financial and Accounting Officer) and Director	March 31, 2005

EXHIBIT INDEX

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* Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-1 (Registration No. 333-73996).

The Exhibits listed above have been filed separately with the Securities and Exchange Commission in conjunction with this Annual Report on Form 10-K or have been incorporated by reference into this Annual Report on Form 10-K. Morgan Group Holding Co. will furnish to each of its shareholders a copy of any such Exhibit for a fee equal to Morgan Group Holding Co.'s cost in furnishing such Exhibit. Requests should be addressed to the Office of the Secretary, Morgan Group Holding Co., 401 Theodore Fremd Avenue, Rye, New York 10580.