

SECURITIES & EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES

For the fiscal year ended December 31, 2001

Commission file number 0-17165

SUNSTYLE CORPORATION

(Exact name of Registrant as specified in its charter)

<u>Florida</u> (State or other jurisdiction of incorporation or organization)	<u>59-2905386</u> (I.R.S. Employer Identification No.)
<u>4900 Creekside Drive, Clearwater, Florida</u> (Address of principal executive offices)	<u>33760</u> (Zip Code)

Registrant's telephone number, including area (727) 592-0299

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
<u>None</u>	<u>None</u>

Securities registered pursuant to Section 12(g) of the Act:

Common Stock (par value \$.10)

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 Exchange Act of 1934 during the preceding 12 months (or 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 check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of 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. [X]

Aggregate market value of the voting stock held by non-affiliates of the registrant as of September 30, 2001: \$1,960.

Number of Common shares outstanding (September 30, 2001): 1,096,014

SUNSTYLE CORPORATION

December 31, 2001

PART I

Item 1. Business

COMPANY

Sunstyle Corporation is a Florida corporation whose only asset currently is its 100% ownership of Sunstyle Homes Corporation, which in turn has several consolidated subsidiaries including Sunstyle Homes Corporation of Citrus County and Briarwood Enterprises. The consolidated entity is hereafter collectively referred to as "Sunstyle" or the "Company". Sunstyle has been principally engaged in real estate acquisition and development and the construction of single family housing on the west coast of Florida.

In May of 1991, the Company finished construction on its final house and ceased construction activities. During 1993 and 1992 the Company sold its remaining lots in Pinellas and Manatee counties to other developers and builders.

During 1995, the company sold its office/storage building in Largo, Florida. The Company's President has continued to manage the affairs of the Company while pursuing other business interests.

The Company continues to seek a possible merger with another company and continue operations as the general economy improves or the Board of Directors may decide to proceed with a liquidation and distribute the proceeds, if any, to its shareholders.

Item 2. Properties

The company does not own any property or land as of December 31, 2001.

Item 3. Legal Proceedings

None.

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

None.

PART II

Item 5. Market for the Registrant's Securities and Related Security  
Holder Matters

The Company's stock is traded on the Over-The-Counter market. The following table sets forth for the periods indicated the high and low prices for the Company's common stock:

Quarter ended	2001		2000	
	High	Low	High	Low
All	\$ .001	\$ .001	\$ .001	\$ .001

The Company does not intend to pay dividends on its common stock except in the possible case of a liquidating dividend. Should the Company merge with another company and retain its shares, its future dividend policy will be determined by its Board of Directors in light of the Company's earnings and financial position.

Item 6. Selected Financial Data

	2001	2000	1999	1998	1997
	-----	-----	-----	-----	-----
	(dollar figures in thousands, except per share information)				
<u>Operating Results:</u>					
Revenues	\$ 7	\$ 11	\$ 9	\$ 10	\$ 10
Net Income (loss)	\$ (3)	\$ 8	\$ (3)	\$ 14	\$ 3
Net income (loss) per share	\$ (.002)	\$ .007	\$ (.003)	\$ (.01)	\$ .003
	2001	2000	1999	1998	1997
	-----	-----	-----	-----	-----
	(dollar figures in thousands, except per share information)				
<u>Financial Condition:</u>					
Total assets	\$ 211	\$ 213	\$ 208	\$ 208	\$ 207
Notes payable:					
Former Parent	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255
Stockholders'					
equity (deficit)	\$ (141)	\$ (139)	\$ (147)	\$ (144)	\$ (158)
Book value per share (1)	\$ (0.13)	\$ (0.13)	\$ (0.13)	\$ (0.13)	\$ (0.14)

(1) The per share information is based upon 1,096,014 shares of Common Stock for the years ended December 31, 2001, 2000, 1999, 1998, and 1997.

SUNSTYLE CORPORATION

December 31, 2001

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

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2001, COMPARED TO THE YEAR ENDED DECEMBER 31, 2000

The Company's revenues of \$7,132 for 2001 consisted of \$7,123 interest earned on savings accounts. The Company's only activity in the year ended December 31, 2001, was administrative.

General and administrative expenses totaled \$9,728 for the year ended December 31, 2001, resulting in net loss for the year of \$2,596.

The Company's revenues of \$11,493 for 2000 consisted of \$11,493 interest earned on savings accounts. The Company's only activity in the year ended December 31, 2000, was administrative.

General and administrative expenses totaled \$6,017 for the year ended December 31, 2000, combined with \$2,730 of accounts payable which were written off against expenses, resulting in a net income for the year of \$8,206.

YEAR ENDED DECEMBER 31, 2000, COMPARED TO THE YEAR ENDED DECEMBER 31, 1999

The Company's revenues of \$11,493 for 2000 consisted of \$11,493 interest earned on savings accounts. The Company's only activity in the year ended December 31, 2000, was administrative.

General and administrative expenses totaled \$6,017 for the year ended December 31, 2000, combined with \$2,730 of accounts payable which were written off against expenses, resulting in a net income for the year of \$8,206.

The Company's revenues of \$9,000 for 1999 consisted of \$9,000 interest earned on savings accounts. The Company's only activity in the year ended December 31, 1999, was administrative.

General and administrative expenses totaled \$11,781 for the year ended December 31, 1999, resulting in net loss for the year of \$2,781.

LIQUIDITY AND CAPITAL RESOURCES

Due to continuing losses in a depressed market, the Company ceased construction activities and terminated all employees during May of 1991. All remaining real estate assets have been sold.

The Company's liabilities are primarily to its former Parent in the form of an unsecured note (\$255,000), interest on the note and other payables. The Company is currently negotiating the settlement of its outstanding debt to its former Parent.

In addition to the uncertainty discussed above, the Company has sustained substantial net losses and has a deficit net worth at December 31, 2001 of \$141,146. These issues raise considerable doubt as to the Company's ability to continue operations. Management has not adopted a plan of liquidation and is currently exploring several possibilities, including selling a major interest in the Company. The consolidated financial statements do not include any adjustments that may result from any of the above events.

SUNSTYLE CORPORATION

December 31, 2001

Item 8. Financial Statements and Supplementary Data

SUNSTYLE CORPORATION AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

Financial Statements

Independent Auditor's Report

Consolidated Balance Sheets as of  
December 31, 2001 and 2000

Consolidated Statements of Operations for the Years  
Ended December 31, 2001, 2000, and 1999

Consolidated Statements of Changes in Stockholders'  
Deficit for the Years Ended December 31, 2001,  
2000, and 1999

Consolidated Statements of Cash Flows for the Years  
Ended December 31, 2001, 2000, and 1999

Notes to Consolidated Financial Statements

Schedules and Exhibits Excluded

All schedules and exhibits not included are not applicable, not required, or would contain information which is included in the Consolidated Financial Statements or the Notes to Consolidated Financial Statements.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders  
of Sunstyle Corporation  
Clearwater, Florida

We have audited the accompanying consolidated balance sheets of Sunstyle Corporation and Subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with accounting principles 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above fairly, in all material respects, the consolidated financial position of Sunstyle Corporation and Subsidiaries as of December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As described more fully in Note 5 to the consolidated financial statements, the Company's substantial net losses and deficit net worth of \$141,146 raise considerable doubt as to the Company's ability to continue operations. The consolidated financial statements do not include any adjustments regarding this uncertainty.

Spence, Marston, Bunch, Morris & Co.  
Certified Public Accountants

Clearwater, Florida  
Date: August 15, 2002

SUNSTYLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31,

	2001	2000
	-----	-----
<u>ASSETS</u>		
Cash	\$ 210,777	\$ 213,172
	-----	-----
	\$ 210,777	\$ 213,172
	=====	=====
 <u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
Note Payable to Former Parent	\$ 255,000	\$ 255,000
Interest Payable to Former Parent	93,452	93,452
Accounts Payable and Accrued Expenses	3,471	3,270
	-----	-----
	351,923	351,722
	-----	-----
Stockholders' Deficit:		
Common Stock; \$.10 Par Value;		
Authorized 10,000,000 Shares;		
Issued and Outstanding		
1,096,014 Shares	109,601	109,601
Additional Paid-In Capital	1,341,221	1,341,221
Accumulated Deficit	(1,591,968)	(1,589,372)
	-----	-----
	(141,146)	(138,550)
	-----	-----
	\$ 210,777	\$ 213,172
	=====	=====

The accompanying notes are an integral part of  
these financial statements.

SUNSTYLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,

	2001	2000	1999
	-----	-----	-----
Revenues:			
Interest Income	\$ 7,132	\$ 11,493	\$ 9,000
Other Income	0	2,730	0
	-----	-----	-----
Total Revenues	7,132	14,223	9,000
	-----	-----	-----
Cost and Expense:			
General and Administrative	9,728	6,017	11,781
	-----	-----	-----
Total Expenses	9,728	6,017	11,781
	-----	-----	-----
Net Income (Loss)	\$ (2,596)	\$ 8,206	\$ (2,781)
	=====	=====	=====
Net Income (Loss) Per Share	\$ (.002)	\$ .007	\$ (.003)
	=====	=====	=====
Number of Common Shares			
Outstanding	1,096,014	1,096,014	1,096,014
	=====	=====	=====

The accompanying notes are an integral part of  
these financial statements.



SUNSTYLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

FOR THE YEARS ENDED DECEMBER 31, 1999, 2000 AND 2001

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-In Capital	Deficit	
Balances at December 31, 1998	1,096,014	\$109,601	\$1,341,221	\$(1,594,797)	\$(143,975)
Net Loss - 1999	0	0	0	(2,781)	(2,781)
Balances at December 31, 1999	1,096,014	109,601	1,341,221	(1,597,578)	(146,756)
Net Income - 2000	0	0	0	8,206	8,206
Balances at December 31, 2000	1,096,014	109,601	1,341,221	(1,589,372)	(138,550)
Net Loss - 2001	0	0	0	(2,596)	(2,596)
Balances at December 31, 2001	1,096,014	\$109,601	\$1,341,221	\$(1,591,968)	\$(141,146)

The accompanying notes are an integral part of  
these financial statements.

SUNSTYLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2001	2000	1999
	-----	-----	-----
Cash Flow from Operating Activities:			
Net Income (Loss)	\$(2,596)	\$ 8,206	\$ (2,781)
Adjustments to Reconcile Net Income	-----	-----	-----
(Loss) to Net Cash Provided by			
(Used In) Operating Activities:			
Increase (Decrease) in Operating			
Liabilities:			
Accounts Payable and Accrued			
Expenses	201	(2,730)	2,000
	-----	-----	-----
Total Adjustments	201	(2,730)	2,000
	-----	-----	-----
Net Cash Provided by (Used in)			
Operating Activities	(2,395)	5,476	(781)
	-----	-----	-----
Net Increase (Decrease) in Cash	(2,395)	5,476	(781)
Cash at Beginning of Period	213,172	207,696	208,477
	-----	-----	-----
Cash at End of Period	\$ 210,777	\$ 213,172	\$ 207,696
	=====	=====	=====

The accompanying notes are an integral part of  
these financial statements.

SUNSTYLE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2001

NOTE 1 - ORGANIZATION AND OPERATIONS:

Sunstyle Homes Corporation ("Sunstyle") was incorporated in 1976 for the purpose of purchasing and subdividing tracts of land for the sale of developed lots and the construction of single and multi-family residential units on the west coast of Florida.

On August 25, 1988 the former Parent incorporated a new wholly-owned subsidiary, Sunstyle Corporation. All 500 shares of Sunstyle Homes Corporation were exchanged for 1,096,024 shares of Sunstyle Corporation. On the same date, the Board of Directors of the former Parent declared a distribution of Sunstyle Corporation's stock to shareholders of the former Parent in the form of a tax-free spin-off. The effective date of the spin-off was September 30, 1988 and the distribution was made on October 6, 1988. Sunstyle Corporation became a separate, publicly traded entity and has discontinued substantially all relationships with the former Parent.

Sunstyle Corporation, including its consolidated subsidiaries consisting of Sunstyle and Sunstyle - Citrus, are collectively referred to as the "Company".

Due to continuing losses in a depressed market, the Company terminated all employees and ceased construction activities in May of 1991. The Company, including all of its consolidated subsidiaries, is inactive. The Board of Directors has not adopted a plan of liquidation and is considering several options, including selling a majority interest in the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The Company utilizes the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

It is the Company's policy to include all money market funds with an original maturity of three months or less in Cash and Cash Equivalents.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consists principally of cash investments in excess of federally insured limits. The Company places its cash investments with high credit quality financial institutions and in a money market mutual fund that is managed by a wholly owned subsidiary of Raymond James Financial, Inc.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Income Taxes

Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109). Under FAS 109, the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

As of December 31, 2001, the Company had a net operating loss carryforward of approximately \$2,882,000 for tax purposes which will expire beginning in 2003.

NOTE 3 - NOTES PAYABLE

Notes payable at December 31, 2001 and 2000 consisted of the following:

	2001	2000
	-----	-----
Note payable to former Parent, unsecured, principal payable on demand	\$ 255,000	\$ 255,000
	=====	=====

Sunstyle has an interest bearing demand note payable to Raymond James Financial, Inc., the Company's former parent. The note bears interest at prime plus one percent. Raymond James Financial, Inc. has an allowance for doubtful accounts for the total amount of the interest income receivable from Sunstyle, because they do not consider payment of the interest probable. For the same reason, no interest is being accrued on Sunstyle's books for the note payable. There is an understanding between the parties that the note will be paid, as cash becomes available or upon the Company's sale.

NOTE 4 - FEDERAL AND STATE INCOME TAXES:

Substantial losses have been sustained by the Company, which raise considerable doubt as to its ability to continue operations. As a result, it is unlikely that the Company will be able to benefit from the deferred tax asset which consists of tax loss carryforwards available as of December 31, 2001. Therefore, a valuation allowance has been established at the full amount of the deferred tax asset.

	2001
	-----
Deferred tax asset	\$ 1,162,328
Less: valuation allowance	1,162,328
	-----
	0
	=====

The change in the valuation allowance during 2001 was as follows:

Balance at beginning of year	\$ 1,161,303
Increase due to increase in deferred tax asset	1,025
	-----
Balance at end of year	\$ 1,162,328
	=====

NOTE 5 - CONTINGENCIES AND OTHER EVENTS:

The Company is currently negotiating the settlement of its outstanding debt to its former Parent. Although it is possible a settlement could result in the transfer of essentially all remaining assets to its former Parent, the effect of a final settlement cannot be determined at this time.

In addition to the uncertainty discussed above, the Company has sustained substantial net losses and has a deficit net worth at December 31, 2001 of \$141,146. These issues raise considerable doubt as to the Company's ability to continue operations. Management has not adopted a plan of liquidation and is currently exploring several possibilities including selling a majority interest in the Company. The consolidated financial statements do not include any adjustments that may result from any of the above events.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

### PART III

#### Item 10. Directors and Executive Officers of the Registrant

##### DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information as to persons who serve as directors and Executive Officers of the Company. As provided in the By-laws of the Company the term of office of each Director is one year.

<u>Name</u>	<u>Age</u>	<u>Principal Occupation And Other Directorships</u>	<u>Director Since</u>
Thomas A. James	60	Chairman of the Board and Chief Executive Officer of Raymond James Financial, Inc.; Chairman of the Board of Raymond James & Associates, Inc. President and Chief Executive Officer of Sunstyle Corporation.	1988
Ralph W. Quartetti	66		1988

Unless otherwise indicated, the directors have held the same principal occupations for at least five years.

##### Committees of the Board of Directors

The Company has two standing committees of the Board. Set forth below is a description of the functions of those committees and the members of the Board who served on such committees.

Audit Committee: The responsibilities of the audit committee include recommending to the Board the independent certified public accountants to conduct the annual audit of the books and accounts of the Company, reviewing the proposed scope of the audit and approving the audit fees to be paid. The audit committee also reviewed with the independent certified public accountants and with the Company's financial staff the adequacy and effectiveness of the internal accounting and financial controls of the Company. The audit committee consists of Mr. James.

Compensation Committee: In prior years, the compensation committee recommended to the Board the salaries of the executive officers of the Company and approved the salaries of all other officers and certain other employees. It also determined, subject to further approval of the Board, the fees for directors, and supervised the administration of all benefit plans and other matters affecting executive compensation. The compensation committee, which is now inactive, included Mr. James and a former director, Mr. Krusen.

##### Director Compensation

During 2001, no fees or expenses were paid to the directors because there were no Board or Committee meetings. Both of the current directors are significant owners.

#### Item 11. Executive Compensation

No executive officer received cash or other compensation during 2001.

## Item 12. Security Ownership of Certain Beneficial Owners and Management

Information is provided below with respect to the beneficial ownership of Sunstyle Common Stock, as of December 31, 2001, of (i) persons owning more than 5% of the Company, (ii) each director of the Company, and (iii) all officers and directors of the Company as a group.

Name	Shares Beneficially Owned	Percent
Thomas A. James (1)	447,466 (2) (3)	40.9%
Christopher W. James (1)	116,894 (2)	10.6%
Carr Securities Corporation	107,229 (4)	9.8%
Golda Meir Endowment Corporation	61,500 (7)	5.6%
Ralph W. Quartetti	59,193 (5)	5.4%
Herbert E. Ehlers	58,898 (6)	5.4%
All Directors & Officers as a Group (2 persons)	507,222	46.3%

- (1) Messrs. Thomas A. James and Christopher W. James are brothers. Their address is 880 Carillon Parkway, St. Petersburg, FL 33716.
- (2) Includes (i) 111,320 shares owned by the Robert A. James Trust, established for the benefit of members of the James family, (ii) 4,474 shares owned by the James Grandchildren's Trust, for which trusts Thomas A. and Christopher W. James serve as co-trustees, and (iii) 563 shares owned by Mary S. James.
- (3) Includes 66,792 shares owned by the James' Children Annuity Trust, for which Thomas A. James serves as sole trustee.
- (4) On February 12, 1991, Carr Securities filed Form 13G with the Securities and Exchange Commission advising that the firm had acquired 109,232 shares in the ordinary course of business as a Broker or Dealer registered under the Securities Exchange Act of 1934 and the shares were not acquired to influence or control the issuer. Carr Securities has sole voting power of these shares. The address of Carr Securities is One Penn Plaza, Suite 4720, New York, NY 10119.
- (5) On December 6, 1988, the Board of Directors of Sunstyle agreed to grant to Mr. Quartetti options to purchase 54,588 shares of Sunstyle Common Stock pursuant to the Sunstyle Corporation Incentive Stock Option Plan. The address of Mr. Quartetti is 3900 Creekside Drive, Clearwater, FL 33760.
- (6) Mr. Ehlers' address is 2502 Rocky Point Drive, Suite 500, Tampa, FL 33607.
- (7) On October 23, 1989, Charles I. Rutenberg filed a Schedule 13-D with the Securities and Exchange Commission advising that he acquired 55,500 shares of Sunstyle Corporation common stock through purchases on the open market. On November 1, 1992, Mr. Rutenberg transferred 61,500 shares to the Golda Meir Center Endowment Corporation, a charitable corporation. These shares are held for investment purposes only.

## Item 13. Certain Relationships and Related Transactions

The Company owes interest to Raymond James related to outstanding debt. During 2001, the Company did not engage in any transactions with related parties.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on  
Form 8-K

- a) Financial statements included with this filing.
- b) None
- c) None



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Clearwater, State of Florida, on the 13th day of August, 2002.

SUNSTYLE CORPORATION

By /s/Ralph W. Quartetti  
Ralph W. Quartetti, President  
and Chief Executive 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.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/Ralph W. Quartetti</u> Ralph W. Quartetti	Chief Executive Officer, President and Director	<u>August 13, 2002</u>
<u>/s/Thomas A. James</u> Thomas A. James	Director	<u>August 13, 2002</u>