

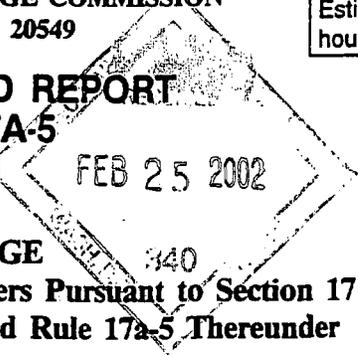
AP 3/4/2002

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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



SEC FILE NUMBER  
8- 44230

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 January 1, 2001 AND ENDING December 31, 2001  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Jackson Hathaway Hopper

D/B/A Hopper Securities - Vermont

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

226 Laurel Hill Drive

(No. and Street)

So. Burlington

(City)

VT

(State)

05403

(Zip Code)

OFFICIAL USE ONLY  
FIRM ID. NO.

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

Denise A. Myers, CPA

802-655-3801

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Myers Tax & Accounting Services, PC

LIC #092-0000606

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

257 East Allen Street

(Address)

Winooski

(City)

VT

(State)

05404

(Zip Code)

CHECK ONE:

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

PROCESSED

P MAR 28 2002

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THOMSON FINANCIAL

\*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).

BB 3/26

## OATH OR AFFIRMATION

I, Jackson H. Hopper, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hopper Securities - Vermont, as of December 31, ~~19~~2001, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Jackson H. Hopper  
Signature  
Owner  
Title

Denise Myers 2/10/03  
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 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).

**HOPPER SECURITIES - VERMONT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

# Myers Tax & Accounting Services, P.C.

257 East Allen Street  
Winooski, Vermont 05404  
Tel. (802) 655-3801  
Fax (802) 655-3803

Denise A. Myers, CPA

Richard F. Lewonski, CPA, EA, ABA, ATA

February 15, 2002

Hopper Securities - Vermont  
226 Laurel Hill Drive  
So. Burlington, VT 05403

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheet of Hopper Securities of Vermont ( a proprietorship) as of December 31, 2001, and the related statements of income, owner's equity, and cash flows for the year then ended. These financial statements are the responsibility of the owner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the owner, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Hopper Securities of Vermont as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Myers Tax Accounting Services, PC  
Myers Tax & Accounting Services, PC  
License Number 92-0000606

**HOPPER SECURITIES - VERMONT**

**BALANCE SHEET  
DECEMBER 31, 2001**

**ASSETS**

**CURRENT ASSETS:**

Segregated Cash	\$ 934
Cash	1,133
Receivables from Brokers	300
Receivables from Customers	<u>-0-</u>

**TOTAL CURRENT ASSETS** \$ 2,367

**PROPERTY AND EQUIPMENT:**

Furniture and Equipment	\$ 6,349
Less: Accumulated Depreciation	<u>6,349</u>

**TOTAL PROPERTY AND EQUIPMENT** \$ -0-

**INVESTMENTS (At Cost)** \$73,890

**TOTAL ASSETS** \$76,257

**LIABILITIES AND OWNER'S EQUITY**

**CURRENT LIABILITIES**

Payable to Brokers or Dealers	\$ -0-
Payable to Customers	-0-
Accounts Payable	<u>1,000</u>

**TOTAL LIABILITIES** \$ 1,000

**OWNER'S EQUITY (EXHIBIT D)** \$ 75,257

**TOTAL LIABILITIES AND OWNER'S EQUITY** \$ 76,257

See Accompanying Notes and Auditor's Report

**HOPPER SECURITIES - VERMONT**

STATEMENT OF INCOME  
FOR THE PERIOD ENDED  
DECEMBER 31, 2001

<u>INCOME:</u>	
Commission Income	\$ 2,459
Other Commission Income	3,906
Mutual Fund Income	14,026
Other Income	3,820
<b>TOTAL INCOME</b>	<b>\$ 24,211</b>
<u>EXPENSES:</u>	
Telephone	\$ 2,128
Office Supplies	1,018
Bank and Clearing Charges	2,166
Dues and Assessment	1,641
Commission Expense	5,694
Subscriptions	600
Professional Services	1,120
Health Insurance	4,277
<b>TOTAL EXPENSES</b>	<b>\$ 18,644</b>
<b>NET OPERATING INCOME</b>	<b>\$ 5,567</b>
 <b>OTHER INCOME (EXPENSES)</b>	
Interest Income	\$ 55
Interest Expense	(500)
Dividend Income	1,728
<b>TOTAL OTHER INCOME (EXPENSES)</b>	<b>\$ 1,283</b>
<b>NET INCOME</b>	<b>\$ 6,850</b>
	=====

See Accompanying Notes and Auditor's Report

**HOPPER SECURITIES - VERMONT**

**STATEMENT OF CASH FLOWS  
PERIOD ENDED DECEMBER 31, 2001**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ 6,850
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Proceeds on Sale of Investments	0
(Increase) Decrease Receivables from Brokers	500
Increase (Decrease) Accounts Payable	200
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 7,550</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Withdrawals by Owner	<u>(14,000)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>( 6,450)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>\$ 8,517</b>
<b>CASH AT END OF YEAR</b>	<b><u>\$ 2,067</u></b> <b>=====</b>

**SUPPLEMENTAL DISCLOSURES**

Interest Paid \$ 500

See Accompanying Notes and Auditor's Report

SEC FILE NO.  
8-44230  
EXHIBIT D

**HOPPER SECURITIES - VERMONT**

**STATEMENT OF PROPRIETOR'S CAPITAL  
DECEMBER 31, 2001**

PROPRIETOR'S CAPITAL - DECEMBER 31, 2000	\$ 82,407
NET INCOME (EXHIBIT B)	6,850
OWNER'S WITHDRAWALS	<u>(14,000)</u>
<b>PROPRIETOR'S CAPITAL - DECEMBER 31, 2001</b>	<b>\$ 75,257</b> <b>=====</b>

See Accompanying Notes and Auditor's Report

SEC FILE NO.  
8-44230  
EXHIBIT D-1

**HOPPER SECURITIES - VERMONT**

STATEMENT OF COMPREHENSIVE INCOME  
DECEMBER 31, 2001

<b>NET INCOME - EXHIBIT B</b>	<b>\$ 6,850</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	
Unrealized Gains on Securities	
Unrealized Holding Gains Arising During the Period	314,452
	<hr/>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 321,302</b>
	<b>=====</b>

See Accompanying Notes and Auditor's Report

SEC FILE NO.  
8-44230  
EXHIBIT F

**HOPPER SECURITIES - VERMONT**

DECEMBER 31, 2001

**STATEMENTS OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

Balance, Beginning of Period	-0-
Balance, End of Period	-0-

SEC FILE NO.  
8-44230  
EXHIBIT G

**HOPPER SECURITIES - VERMONT**

DECEMBER 31, 2001

**COMPUTATION OF NET CAPITAL**

Owner's Equity - Per Focus Report	\$ 75,258
Additions	-0-
Deductions	(1)
	<hr/>
<b>Net Capital as Adjusted</b>	<b>\$ 75,257</b>
	====

The calculation of unaudited Part II for Net Capital was found to be substantially correct.

February 15, 2002

*Myers Tax & Accounting Services, PC*  
MYERS TAX & ACCOUNTING  
SERVICES, PC  
LICENSE NO. 92-0000606

**HOPPER SECURITIES - VERMONT**

DECEMBER 31, 2001

**NET CAPITAL COMPUTATION**

Total Owner's Equity from Financial Statement	\$ 75,257
Unrealized Gains from Investments	<u>314,452</u>
Net Capital Before Haircut	389,709
Less: Commitments	106,187
	<u>          </u>
<b>Net Capital</b>	<b>\$ 283,522</b>
	<b>=====</b>
Minimum Capital Required	\$ 100,000
Excess Net Capital	183,522
Less: 10% of Aggregate Indebtedness of \$1000	<u>(100)</u>
<b>Excess Net Capital</b>	<b>\$ 283,422</b>
	<b>=====</b>

SEC FILE NO.  
8-44230  
EXHIBIT H

**HOPPER SECURITIES - VERMONT**

DECEMBER 31, 2001

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALERS UNDER RULE 15c3-3**

Exemption Provisions From Rule 15c3-3

28. B.(K)(2)(i) - "Special Account for the Exclusive Benefit of Customers"  
maintained

## **HOPPER SECURITIES - VERMONT**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2001**

#### **A. BASIS OF ACCOUNTING**

Hopper Securities - Vermont, a proprietorship is engaged in the securities broker business. The business operation receives and purchases securities per customer's request and operates primarily in the Chittenden County area of Vermont. The company's financial statements are presented in accordance with generally accepted accounting principles.

#### **B. SEGREGATED CASH**

A special account for specific customer funds received on the sale and purchase of security investments for the customer.

#### **C. ACCOUNTS RECEIVABLE**

The accounts receivable are stated at net realizable value. Owner believes no allowance for bad debts is necessary as of December 31, 2001.

#### **D. PROPERTY AND EQUIPMENT**

Property and equipment are reflected at cost and depreciated on the straight-line method.

#### **E. INVESTMENTS**

The owner classifies its marketable equity securities as investment. Realized gains and losses are included in earnings based on the period the specific identifiable stock is sold. Unrealized gains or losses are reported in other comprehensive income. The owner must maintain a minimum capital in the form of cash and marketable securities. The investments are reflected at cost on the balance sheet versus fair value which is a departure from Generally Accepted Accounting principles.

The investments are as follows:

	<u>Shares</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Fair Value</u>
International Business Machines Inc.	3,142	\$ 62,565.58	\$317,490.74	\$380,056.32
NASDAQ Warrants	300	3,300.00	(3,300.00)	-0-
NASDAQ Common Stock	300	3,900.00	(3,900.00)	-0-
Oracle Corporation	600	<u>4,124.85</u>	<u>4,161.15</u>	<u>8,286.00</u>
<b>TOTAL</b>		<b>\$ 73,890.43</b>	<b>\$ 314,451.89</b>	<b>\$388,342.32</b>
		=====	=====	=====

**F. INCOME TAXES**

The proprietorship itself is not a taxpaying entity for purposes of federal and state income taxes. Federal and state income taxes of the proprietor are computed on his total income from all sources, accordingly, no provision for income taxes is made in these statements.

**G. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the owner to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I do affirm that there are no assets, liabilities, and accountabilities, contingent or otherwise, which apply to this business that are not recorded on our business books at December 31, 2001.

February 15, 2002

*Hopper Securities - Vermont*  
HOPPER SECURITIES - VERMONT

There has been no material inadequacy found to exist or found to have existed since the date of the previous audit, December 31, 2001.

February 15, 2002

Myers Tax Accounting Services PC  
MYERS TAX & ACCOUNTING  
SERVICES PC  
VT LICENSE NO. 92-0000606

# *Myers Tax & Accounting Services, P.C.*

257 East Allen Street  
Winooski, Vermont 05404  
Tel. (802) 655-3801  
Fax (802) 655-3803

*Denise A. Myers, CPA*

*Richard F. Lewonski, CPA, EA, ABA, ATA*

## AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The information included in the accompanying exhibits F, G, G-1, H, letter of affirmation, material inadequacy and report on applying agreed upon procedures as of December 31, 2001 is presented as a requirement of this report. Such information has been subjected to Generally Accepted Auditing Standards as was applied in the audit of the basic financial statements. In our opinion, the supplementary information set forth in the selected financial path for the period ending December 31, 2000 is fairly stated in all material respects in relation to the financial statements from which it has been derived.

February 15, 2002

*Myers Tax & Accounting Services, PC*  
Myers Tax & Accounting Services, PC  
License Number 92-0000606