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

APR 3/5/2002 ✓  
OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00



02003023

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

SEC FILE NUMBER  
8- 36680

**FACING PAGE**

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

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
FEB 28 2002

REPORT FOR THE PERIOD BEGINNING January 1, 2001 AND ENDING December 31, 2001  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

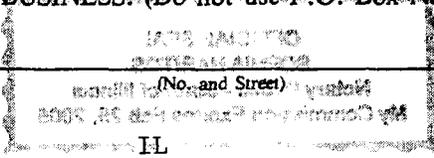
NAME OF BROKER-DEALER:

Heller Capital Markets Group, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

500 West Monroe Street



Chicago

IL

60661

(City)

(State)

(Zip Code)

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

Tim O'Rourke

312-441-7287

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

KPMG

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

303 E. Wacker Drive

IL

60601

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

PROCESSED

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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).

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3/28



## Independent Auditors' Report

To the Board of Directors of  
Heller Capital Markets Group, Inc.:

We have audited the accompanying statement of financial condition of Heller Capital Markets Group, Inc. (a Delaware corporation) as of December 31, 2001, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company for the period ended December 31, 2000 were audited by other auditors whose report dated February 22, 2001 expressed an unqualified opinion on these statements.

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 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 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 Heller Capital Markets Group, Inc. as of December 31, 2001, and the results of its operations and its cash flows for the year then ended 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 financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*KPMG LLP*

Chicago, Illinois  
February 15, 2002



**HELLER CAPITAL MARKETS GROUP, INC.**

Statement of Financial Condition

December 31, 2001

**Assets**

Cash and cash equivalents (note 5) \$ 1,383,312

**Liabilities and Stockholder's Equity**

Intercompany payable (notes 3 and 4) \$ 314,112

Other accrued liabilities 15,900

Total liabilities 330,012

Stockholder's equity:

Common stock, \$1.00 par value; 1,000 shares  
authorized, issued, and outstanding 1,000

Additional paid-in capital 20,000

Retained earnings 1,032,300

Total stockholder's equity 1,053,300

Total liabilities and stockholder's equity \$ 1,383,312

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

# HELLER CAPITAL MARKETS GROUP, INC.

## Notes to Financial Statements

December 31, 2001

### (1) Organization

Heller Capital Markets Group, Inc. (the Company) is a wholly owned subsidiary of Heller Financial, Inc. (Heller Financial), whose ultimate parent through October 24, 2001, was Mizuho Holdings, Inc. a bank holding company comprised of the Fuji Bank, Limited, The Industrial Bank of Japan, Limited, and The Dai-Ichi Kangyo Bank, Limited.

On October 25, 2001 all of Heller Financial's issued and outstanding Class A and Class B Common Stock was acquired by General Electric Capital Corporation (GE Capital) through a merger agreement. GE Capital is a wholly owned subsidiary of General Electric Corporation.

The Company is a registered broker/dealer under the Securities Exchange Act of 1934.

### (2) Net Capital Requirements

The Company is subject to the Uniform Net Capital Rule under the Securities Exchange Act of 1934, which requires that the minimum net capital be greater than \$5,000 or 6 and 2/3% of aggregate indebtedness. The Company's net capital was \$1,053,300 at December 31, 2001, which exceeded the minimum net capital requirement of \$22,000.

### (3) Intercompany Payable

During 2001, the Company was included in the consolidated United States federal and state tax returns of Heller Financial and was a party to a tax sharing agreement with Heller Financial. Under the agreement, the Company paid Heller Financial for the income tax liability computed as if the Company were a separate taxpayer. At December 31, 2001, the intercompany payable represents the Company's amount owed to Heller Financial for the income tax liability. During 2001, Heller Financial paid \$76,298 in taxes on behalf of the Company.

### (4) Related Party Activity

In accordance with an agreement dated November 1, 1991 with Heller Financial, the Company acts as Placement Agent for commercial paper issued by Heller Financial and is compensated by Heller Financial based upon the face amount of commercial paper sold, at a rate agreed upon by the Company and Heller Financial. In 2001, the Company placed \$27.8 billion of commercial paper for Heller Financial, for which the Company earned \$1,092,890 in brokerage fees.

In accordance with an agreement effective January 2, 1998, certain employees of Heller Financial performed managerial, administrative, and other related functions for the Company during 2001. The Company compensated Heller Financial in the form of management fees for these services at a rate which reflects an estimate of the current costs to Heller Financial. The Company also compensated Heller Financial for all other general and administrative expenses incurred by the Company.

### (5) Statement of Cash Flows

Cash and cash equivalents consist of cash at banks and a money market account which is maintained with a major U.S. bank.