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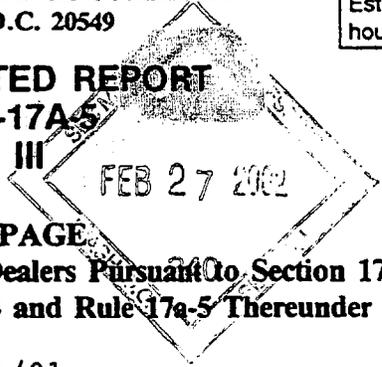


UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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

SEC FILE NUMBER 8-52741



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 01/31/01 AND ENDING 12/31/01 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TICHE CAPITAL STRATEGIES, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 437 GRANT STREET, SUITE 421 PITTSBURGH PA 15219

OFFICIAL USE ONLY FIRM ID. NO.

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

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\* S. R. SNODGRASS, A.C. 110 CENTRAL SQUARE DRIVE BEAVER FALLS PA 15010

- CHECK ONE: [X] Certified Public Accountant [ ] Public Accountant [ ] Accountant not resident in United States or any of its possessions.

PROCESSED MAR 15 2002 THOMSON FINANCIAL

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\*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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OATH OR AFFIRMATION

I, MICHAEL L. RAYZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TICHE CAPITAL STRATEGIES, LLC, as of DECEMBER 31, 2001, XXXXX, 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:

Notarial Seal
Kathy M. Care, Notary Public
City of Beaver Falls, Beaver County
My Commission Expires May 28, 2005
Member, Pennsylvania Association of Notaries

Handwritten signature of Kathy M. Care
Notary Public

Handwritten signature: ML Rayz
Title: CPA

DATE - 2/25/02

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).

# SNODGRASS

Certified Public Accountants and Consultants



Bradley D. Tiche, President  
Tiche Capital Strategies, LLC

In planning our audit of the financial statements and supplemental schedules of Tiche Capital Strategies, LLC, for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

The management of the Company is responsible for establishing and maintaining internal control. Two of the objectives of internal control are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and properly recorded to permit the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Because of inherent limitations in internal control, error or fraud may occur and may not be detected. Also, projection of any evaluation of them to future periods is subject to risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operations may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and may not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we considered to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and our study, we believe that the Company's practices and procedures were adequate at December 31, 2001, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Beaver Falls, PA  
February 11, 2002

S.R. Snodgrass, A.C.  
110 Central Square Drive Beaver Falls, PA 15010-7302 Phone: 724-843-4920 Facsimile: 724-847-5048

**TICHE CAPITAL STRATEGIES, LLC**

**PITTSBURGH, PENNSYLVANIA**

**AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2001**

# TICHE CAPITAL STRATEGIES, LLC

Year Ended December 31, 2001

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# SNODGRASS

Certified Public Accountants and Consultants



## INDEPENDENT AUDITORS' REPORT

Mr. Bradley D. Tiche, President  
Tiche Capital Strategies, LLC  
Pittsburgh, Pennsylvania

We have audited the accompanying statement of financial condition of Tiche Capital Strategies, LLC as of December 31, 2001, and the related statements of income (loss), changes in member's equity and changes in financial condition for the year then ended. 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.

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 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 Tiche Capital Strategies, LLC 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.

*SR Snodgrass AC*

Beaver Falls, PA  
February 11, 2002

# TICHE CAPITAL STRATEGIES, LLC

## Statement of Financial Condition

December 31,  
2001

### ASSETS

#### CURRENT ASSETS

Cash – operating	\$ 8,857
Cash – reserve	9,233
Commissions receivable	42,815
Prepaid expenses	<u>10,015</u>
Total current assets	70,920

#### OTHER ASSETS

Organization costs	<u>15,849</u>
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Total assets	<u>\$ 86,769</u>
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### LIABILITIES

#### CURRENT LIABILITIES

Accounts payable	\$ 15,000
Commissions payable	20,250
Payroll taxes payable	<u>3,373</u>
Total liabilities	38,623

### MEMBER'S EQUITY

MEMBER'S EQUITY	<u>48,146</u>
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Total liabilities and member's equity	<u>\$ 86,769</u>
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*The accompanying notes are an integral part of the financial statements.*

# TICHE CAPITAL STRATEGIES, LLC

## Statement of Income (Loss)

	<u>Year Ended December 31, 2001</u>
<b>INCOME</b>	
Gross commissions	<u>\$ 518,988</u>
<b>EXPENSES</b>	
Commissions	238,238
Clearing costs	65,503
Extension and cancellation costs	2,570
Payroll taxes	21,725
Licenses and permits	210
Dues and subscriptions	523
Filing fees	355
Accounting fees	2,050
Professional fees	1,006
Management fee expense	180,000
State registration fees	14,655
Regulatory and compliance expense	4,175
Trading expenses	12,682
Payroll processing fees	752
Bank service charges	85
Amortization	1,174
Miscellaneous expense	657
Total expenses	<u>546,360</u>
Net (loss) for the year	<u>\$ (27,372)</u>

*The accompanying notes are an integral part of the financial statements.*

**TICHE CAPITAL STRATEGIES, LLC**

**Statement of Changes in Member's Equity**

	<b>Year Ended December 31, 2001</b>
Member's equity, January 1, 2001	\$ 40,518
Net (loss) for the year	(27,372)
Member's contributed equity	<u>35,000</u>
Member's equity, December 31, 2001	<u>\$ 48,146</u>

*The accompanying notes are an integral part of the financial statements.*

# TICHE CAPITAL STRATEGIES, LLC

## Statement of Changes in Financial Condition

	<u>Year Ended December 31, 2001</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net (loss)	\$(27,372)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:	
Amortization	1,174
(Increase) decrease in accounts receivable	(42,815)
(Increase) decrease in other assets	( 9,248)
Increase (decrease) in current liabilities	<u>38,623</u>
Net cash (used in) operating activities	(39,638)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Contributed capital	<u>35,000</u>
Decrease in cash	( 4,638)
<b>CASH, BEGINNING OF YEAR</b>	<u>13,495</u>
<b>CASH, END OF YEAR</b>	<u>\$ 8,857</u>

*The accompanying notes are an integral part of the financial statements.*

# **TICHE CAPITAL STRATEGIES, LLC**

## **Notes to Financial Statements Year Ended December 31, 2001**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of Tiche Capital Strategies, LLC.

Tiche Capital Strategies, LLC, located in Pittsburgh, Pennsylvania, is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of various exchanges and the National Association of Securities Dealers (NASD). The Company is a limited liability company.

### **INCOME TAXES**

Income taxes have not been provided for the 2001 tax year, because the member elected to be treated as a sole proprietorship for income tax purposes as provided. As such, the Company's income or loss and credits are passed to the member and combined with other personal income and deductions to determine taxable income on the member's individual tax return.

### **LONG-TERM DEBT**

As of December 31, 2001, Tiche Capital Strategies, LLC, has not incurred any long-term debt.

### **ORGANIZATION COSTS**

Tiche Capital Strategies, LLC, incurred organization costs in the form of attorney fee, various registrations and licenses at the inception of the Company. These costs are carried as other assets and are being amortized.

### **USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## RELATED PARTY TRANSACTIONS

The company purchases management services from an affiliated company in which the sole member of Tiche Capital Strategies, LLC is the sole shareholder of said affiliate. The management fees paid to the affiliate in 2001 were \$180,000. The services purchased by Tiche Capital Strategies, LLC, were as follows:

1. All payroll related costs
2. Occupancy costs (rent, utilities, repairs, etc.)
3. Office and administrative expenses
4. Insurance
5. Telephone expenses
6. Technology
7. Promotional expenses
8. Licensing expenses

# SNODGRASS

Certified Public Accountants and Consultants



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Mr. Bradley D. Tiche, President  
Tiche Capital Strategies, LLC  
Pittsburgh, Pennsylvania

Our report on our audit of the basic financial statements of Tiche Capital Strategies, LLC for the year ended December 31, 2001 appears on page 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of supplementary information are presented for purposes of additional analysis. 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.

*SR Snodgrass A.C.*

Beaver Falls, PA  
February 11, 2002

# TICHE CAPITAL STRATEGIES, LLC

## Computation of Net Capital

	<u>Year Ended December 31, 2001</u>
Assets:	
Cash	\$ 8,857
Commissions receivable	42,627
Emmett Larkin capital account	<u>9,233</u>
Total assets	<u>60,717</u>
Liabilities:	
Accounts payable	15,000
Commissions payable	20,250
Payroll taxes payable	<u>3,373</u>
Total liabilities	<u>38,623</u>
Net capital	<u>\$ 22,094</u>

## **TICHE CAPITAL STRATEGIES, LLC**

### **Computation for Determination of Reserve Requirements and Information Relating to the Possession or Control Requirements Under Rule 15c3-3**

Tiche Capital Strategies, LLC clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records. Therefore, Tiche Capital Strategies, LLC, is exempt from the Reserve Requirements and the Information Relating to the Possession or Control Requirements under Rule 15c3-3.