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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

REC'D S.E.C.
FEB 28 2002
538

SEC FILE NUMBER
8-49588

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

A. REGISTRANT IDENTIFICATION

OFFICIAL USE ONLY

FIRM ID. NO.

NAME OF BROKER-DEALER: KSH Investment Group, Inc.

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

245 Great Neck Road

No. and Street

Great Neck, New York, 11021

(City)

(State)

(Zip Code)

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

Francis P. Anderson

(516) 466-1117

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ganer, Grossbach & Ganer P.C.

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

1995 Broadway, New York, New York 10023

(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

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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).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Handwritten initials and date: 1/3-14-02

OATH OR AFFIRMATION

I, Francis P. Anderson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KSH Investment Group, Inc., as of December 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director ha any proprietary interest in any account classified solely as that of a customer, except as follows:

Francis P. Anderson
Signature

President

Title

Steven A. Caputo
Notary Public

my Registration No 010R5049563
my Commission expires 9/18/05 State of NJ, Nassau County

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 15c-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).

SENECA FINANCIAL GROUP, INC.
BALANCE SHEETS
December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$1,232,758	\$ 1,193,001
Accounts receivable, net of allowance for doubtful accounts of \$49,889 and \$43,650	822	246,426
Prepaid expenses and other current assets	<u>95,102</u>	<u>59,608</u>
Total current assets	1,328,682	1,499,035
 Furniture and equipment, less accumulated depreciation (Note 3)	 268,374	 112,321
Marketable securities (Note 4)	321,303	-
Security deposits	<u>18,654</u>	<u>18,654</u>
	<u>\$1,937,013</u>	<u>\$ 1,630,010</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 441,060	\$ 525,876
Capitalized leases payable - current (Note 5)	11,795	4,073
Stockholders' distribution payable	152,079	-
Accrued income taxes	-	<u>1,089</u>
Total current liabilities	<u>604,934</u>	<u>531,038</u>
 Capitalized leases payable (Note 5)	 27,312	 16,755
 Commitments (Note 5)		
Stockholders' equity:		
Common stock	2,400	2,400
Capital-in-excess of par value	2,397,600	2,397,600
Accumulated (deficit)	(1,166,536)	(1,317,783)
Accumulated comprehensive income	<u>71,303</u>	<u>-</u>
Total stockholders' equity	<u>1,304,767</u>	<u>1,082,217</u>
	<u>\$1,937,013</u>	<u>\$ 1,630,010</u>

See accompanying notes.