



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

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hours per response . . . 12.00

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

MAR 01 2002

SEC FILE NUMBER  
8-47597

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**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 01/01/2001 AND ENDING 12/31/2001  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: LBC Capital Resources, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
7966 Royal Birkdale Circle  
(No. and Street)

Brandenton FL 34202  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Harry Leopold (941) 907-4140  
(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Padden & Company LLC.  
(Name — if individual, state last, first, middle name)

150 Himmelein Road Medford NJ 08055  
(Address) (City) (State) (Zip Code)

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

**PROCESSED**  
MAR 18 2002

FOR OFFICIAL USE ONLY  
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).

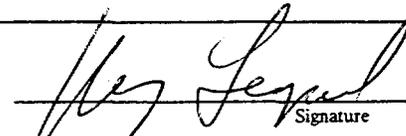
*Handwritten initials/signature*

## OATH OR AFFIRMATION

I, \_\_\_\_\_, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LBC Capital Resources, Inc., as of December 31, 192001, 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:

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

  
Notary Public  
SHARI L. CLARK

  
Signature  
  
Title



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).

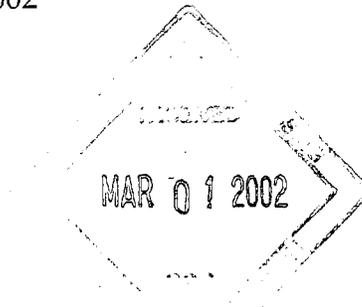
# **LBC Capital Resources, Inc.**

7966 Royal Birkdale Circle  
Brandenton, FL 34202

Tel 941.907.4140 ~ Fax 941.907.6998

February 22, 2002

**Securities and Exchange Commission**  
450 Fifth Street, N.W.  
Washington, D.C. 20549

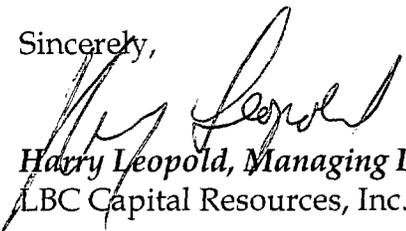


Dear Sir or Madam:

Enclosed is the information with regard to the annual audit.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

  
**Harry Leopold, Managing Director**  
LBC Capital Resources, Inc.

Encls.

# **LBC Capital Resources, Inc.**

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February 22, 2002

MAR 01 2002

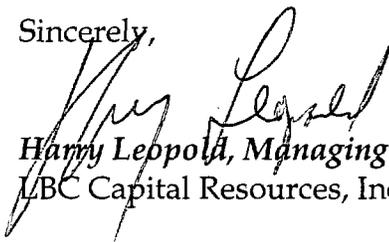
## **RECONCILIATION BETWEEN THE AUDITED AND UNAUDITED STATEMENTS OF FINANCIAL CONDITION WITH RESPECT TO METHODS OF CONSOLIDATION**

**Securities and Exchange Commission**  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that there are no discrepancies between the unaudited and audited statements of LBC Capital Resources, Inc.

Sincerely,

  
**Harry Leppold, Managing Director**  
LBC Capital Resources, Inc.

**LBC Capital Resources, Inc.**

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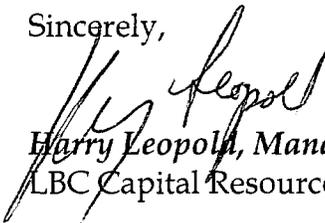
**COMPUTATION FOR DETERMINATION OF RESERVE  
REQUIREMENTS PURSUANT TO RULE 15C3-3**

**Securities and Exchange Commission**  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that LBC Capital Resources, Inc. is exempt from Rule 15C3-3 requiring computation for determination of reserve requirements.

Sincerely,

  
**Harry Leopold, Managing Director**  
LBC Capital Resources, Inc.

# **LBC Capital Resources, Inc.**

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February 22, 2002

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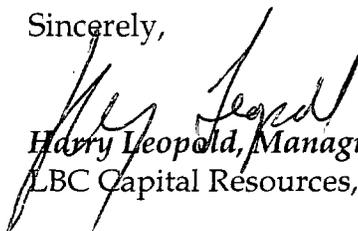
## **STATEMENT OF CHANGES IN LIABILITIES**

**Securities and Exchange Commission**  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that LBC Capital Resources, Inc. has no changes in liabilities subordinated to claims of creditors.

Sincerely,

  
**Harry Leopold, Managing Director**  
LBC Capital Resources, Inc.

*Padden & Company, L.L.C.*

CERTIFIED PUBLIC ACCOUNTANTS

150 Himmelein Road  
Medford, New Jersey 08055  
609-953-1400  
Fax 609-953-7512  
[www.taxcenter.com](http://www.taxcenter.com)

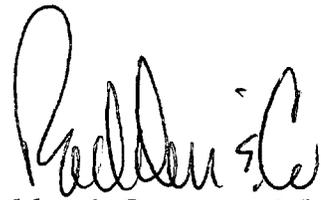
Daniel A. Padden, CPA/PFS  
Bradley H. Denn, CPA/PFS  
Stacy L. Baker

MEMBER AICPA  
New Jersey Society of CPA's  
Personal Financial Specialists  
Registered Investment Advisors

To the Board of Directors and Stockholders  
of LBC Capital Resources, Inc.

The accompanying statement of shareholders equity and computation of net capital  
are not a required part of the basic financial statements.

Medford, New Jersey  
February 22, 2002



Padden & Company, L.L.C.  
Certified Public Accountants

LBC CAPITAL RESOURCES, INC  
STATEMENT OF SHAREHOLDERS EQUITY  
DECEMBER 31, 2001

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Beginning Shareholders Equity	\$117,171
Capital Contributions (Paid in Capital)	-
Net Income	<u>(102,440)</u>
Balance Shareholders Equity	\$14,731
Shareholders Loans Equity	-
Diluted Shareholder Equity	<u>\$14,731</u>

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LBC CAPITAL RESOURCES, INC  
COMPUTATION OF NET CAPITAL  
DECEMBER 31, 2001

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Cash	<u>\$11,406</u>
------	-----------------

Net Capital	<u>\$11,406</u>
-------------	-----------------

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February 22, 2002

## COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS PURSUANT TO RULE 15C3-3

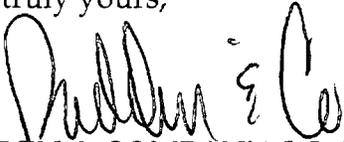
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that LBC Capital Resources, Inc. is exempt from Rule 15c3-3 requiring computation for determination of reserve requirements.

This CPA firm has prepared this letter and accompanying documents, and we believe based on the facts presented to us that these accompanying documents are true and correct.

Very truly yours,



PADDEN & COMPANY, L.L.C.  
Certified Public Accountants

# *Padden & Company, L.L.C.*

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February 22, 2002

## STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF CREDITORS

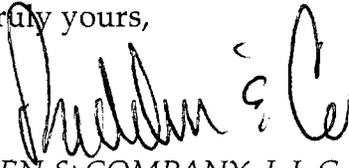
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that LBC Capital Resources, Inc. has no changes in liabilities subordinated to claims of creditors.

This CPA firm has prepared this letter and accompanying documents, and we believe based on the facts presented to us that these accompanying documents are true and correct.

Very truly yours,



PADDEN & COMPANY, L.L.C.  
Certified Public Accountants

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February 22, 2002

## **A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT**

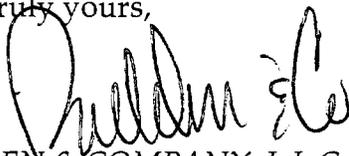
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that there are no material inadequacies that exist or have existed since the date of the previous audit of LBC Capital Resources, Inc.

This CPA firm has prepared this letter and accompanying documents, and we believe based on the facts presented to us that these accompanying documents are true and correct.

Very truly yours,



PADDEN & COMPANY, L.L.C.  
Certified Public Accountants

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February 22, 2002

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## RECONCILIATION BETWEEN THE AUDITED AND UNAUDITED STATEMENTS OF FINANCIAL CONDITION WITH RESPECT TO METHODS OF CONSOLIDATION

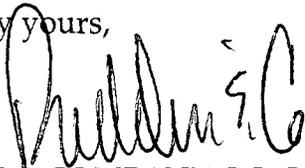
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Sir or Madam:

Please be advised that there are no discrepancies between the unaudited and audited statements of LBC Capital Resources, Inc.

This CPA firm has prepared this letter and accompanying documents, and we believe based on the facts presented to us that these accompanying documents are true and correct.

Very truly yours,



PADDEN & COMPANY, L.L.C.  
Certified Public Accountants

**LBC CAPITAL RESOURCES, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

# *Padden & Company, L.L.C.*

CERTIFIED PUBLIC ACCOUNTANTS

150 Himmelein Road  
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609-953-1400  
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## **Independent Auditor's Report**

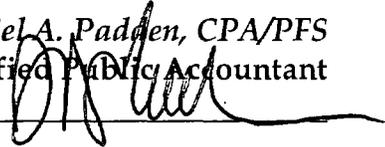
To the Board of Directors and Stockholders  
of LBC Capital Resources, Inc.

I have audited the accompanying balance sheet of LBC Capital Resources, Inc. as of December 31, 2001, and the related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

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

February 22, 2002  
Medford, New Jersey

Daniel A. Padden, CPA/PFS  
Certified Public Accountant  
By: 

LBC CAPITAL RESOURCES, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-INCOME TAX BASIS  
DECEMBER 31, 2001

ASSETS

Current Assets			
Cash in bank - checking	\$	11,406	
Investments - Securities		3,325	
		<hr/>	
Total Current Assets	\$		14,731
Total Property, Plant			
Organization costs		1,500	
Accum. Amortization		(1,500)	
<b>TOTAL ASSETS</b>			<b>\$ 14,731</b>
			<hr/> <hr/>

See Accompanying Selected Information and Accountants' Report

LBC CAPITAL RESOURCES, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-INCOME TAX BASIS  
DECEMBER 31, 2001

LIABILITIES AND EQUITY

Equity			
Common stock	1,000		
Add'l paid in capital	25,000		
Accum. Adjustments	91,171		
Current Earnings	(102,440)		
	<hr/>		
Total Equity		14,731	
		<hr/>	
TOTAL LIABILITIES AND EQUITY			\$ 14,731
			<hr/>

See Accompanying Selected Information and Accountants' Report

LBC CAPITAL RESOURCES, INC.  
 STATEMENT OF REVENUES AND EXPENSES-INCOME TAX BASIS  
 DECEMBER 31, 2001

	Y E A R T O D A T E	
	Amount	Percent
<b>Revenues</b>		
Fee income	\$ 60,000	100.0
<b>Total Revenues</b>	<b>60,000</b>	<b>100.0</b>
 <b>Expenses</b>		
Mgmt fee expense to LBC	165,138	275.2
<b>Total Expenses</b>	<b>165,138</b>	<b>275.2</b>
Income/(Loss) from Operations	(105,138)	(175.2)
 <b>Other Income</b>		
Interest earned	2,697	4.5
<b>Total Other Income</b>	<b>2,697</b>	<b>4.5</b>
 <b>Net Income/(Loss)</b>	<b>\$ (102,440)</b>	<b>(170.7)</b>

See Accompanying Selected Information and Accountants' Report

LBC CAPITAL RESOURCES, INC.  
STATEMENT OF CASH FLOWS-INCOME TAX BASIS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

	<u>Year-to-Date</u>
<b>OPERATING ACTIVITIES</b>	
Net income/(loss)	\$ (102,440)
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities	
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>(102,440)</u>
<b>INVESTING ACTIVITIES</b>	
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(102,440)
Cash & cash equivalents, beginning balance	<u>113,846</u>
CASH & CASH EQUIVALENTS, ENDING BALANCE	<u><u>\$ 11,406</u></u>

See Accompanying Selected Information and Accountants' Report

# LBC CAPITAL RESOURCES, INC.

## SELECTED INFORMATION

DECEMBER 31, 2001

---

### SIGNIFICANT ACCOUNTING POLICIES:

1. **Nature of Business:**

LBC Capital Resources, Inc., is owned and operated by Harry Leopold. The corporation is located in Bradenton, Florida. The corporation began business in Florida on July 7, 1994.

2. **Basis of Accounting:**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles.

3. **Property, Plant and Equipment:**

Property, plant and equipment are recorded at cost. Depreciation of property, plant and equipment placed in service prior to January 1, 1987, is based on an accelerated cost recovery system, over the estimated useful lives of the assets. For property, plant and equipment placed in service after December 31, 1986, depreciation is based on a modified accelerated cost recovery system.