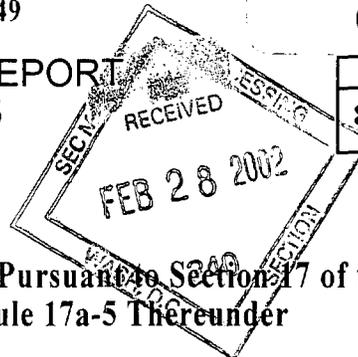


UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



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

SEC FILE NUMBER
8-37407



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 1/1/01 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

3/4/02 TV

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

RDSC, LLC

OFFICIAL USE ONLY

FIRM ID. NO.

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

300 Main Street

(No. and Street)

Cincinnati

Ohio

45202

(City)

(State)

(Zip Code)

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

Louis B. DeTemple, Treasurer

513-621-2875

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Joseph Decosimo and Company, PLL

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

Atrium One, Suite 1515, 201 East Fourth Street

Cincinnati

Ohio

45202

(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 28 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).

BB
3/26

OATH OR AFFIRMATION

I, Louis B. DeTemple, Treasurer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RDSC, LLC, 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 has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Louis B. DeTemple

Signature

Treasurer

Title

Terry R. Myrick

TERRY R. MYRICK Notary Public

Notary Public, State of Ohio

My Commission Expires Sept. 21, 2002

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).

RDSC, LLC

CONTENTS

| | |
|-----------------------------------|------|
| REPORT OF INDEPENDENT ACCOUNTANTS | 1 |
| STATEMENT OF FINANCIAL CONDITION | 2 |
| STATEMENT OF INCOME | 3 |
| STATEMENT OF MEMBER'S EQUITY | 4 |
| STATEMENT OF CASH FLOWS | 5 |
| NOTES TO FINANCIAL STATEMENTS | 6/7 |
| SUPPLEMENTARY INFORMATION | 9/12 |

JOSEPH DECOSIMO AND COMPANY CERTIFIED PUBLIC ACCOUNTANTS

AN OHIO REGISTERED PARTNERSHIP HAVING LIMITED LIABILITY

Private Companies Practice Section

Member AICPA Division for CPA Firms

SEC Practice Section

REPORT OF INDEPENDENT ACCOUNTANTS

Management Board and Members
RDSC, LLC
Cincinnati, Ohio

We have audited the accompanying statement of financial condition of RDSC, LLC as of December 31, 2001, and the related statements of income, member'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.

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 RDSC, 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information 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 under 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.

Joseph Decosimo and Company, PLLC

Cincinnati, Ohio
January 25, 2002

RDSC, LLC
STATEMENT OF FINANCIAL CONDITION
December 31, 2001

ASSETS

| | |
|---|--------------------------|
| Cash and Cash Equivalents | \$ 157,487 |
| Receivables | 51,618 |
| Equipment and Furniture, net of accumulated depreciation of \$42,459 | <u>8,083</u> |
| TOTAL ASSETS | \$ <u>217,188</u> |

LIABILITIES AND MEMBER'S EQUITY

| | |
|--|--------------------------|
| LIABILITIES | |
| Accounts Payable and Accrued Expenses | \$ 44,362 |
| MEMBER'S EQUITY | <u>172,826</u> |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | \$ <u>217,188</u> |

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

RDSC, LLC
STATEMENT OF INCOME
Year Ended December 31, 2001

| | |
|---|------------------|
| REVENUES | |
| Commission Income | \$ 691,927 |
| Other Brokerage Revenue | <u>61,281</u> |
| | <u>753,208</u> |
| OPERATING EXPENSES | |
| Compensation and Employee Benefits | 220,255 |
| Occupancy Expenses | 55,520 |
| General and Administrative Expenses | 197,003 |
| Clearing Expense | <u>203,345</u> |
| | <u>676,123</u> |
| INCOME FROM OPERATIONS | 77,085 |
| INTEREST INCOME | <u>834</u> |
| INCOME BEFORE PROVISION FOR LOCAL INCOME TAXES | 77,919 |
| Provision for Local Income Taxes | <u>2,200</u> |
| NET INCOME | <u>\$ 75,719</u> |

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

RDSC, LLC
STATEMENT OF MEMBER'S EQUITY
Year Ended December 31, 2001

| | |
|------------------------------------|--------------------------|
| BALANCE - January 1, 2001 | \$ 97,107 |
| Net Income | <u>75,719</u> |
| BALANCE - December 31, 2001 | <u>\$ 172,826</u> |

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

RDSC, LLC
STATEMENT OF CASH FLOWS
Year Ended December 31, 2001

| | |
|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Clients | \$ 759,303 |
| Cash Paid to Suppliers and Employees | (646,700) |
| Interest Received | 834 |
| Income Taxes Paid | <u>(2,200)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 111,237 |
| CASH AND CASH EQUIVALENTS - beginning of year | <u>46,250</u> |
| CASH AND CASH EQUIVALENTS - end of year | <u>\$ 157,487</u> |
| RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Net Income | \$ 75,719 |
| Depreciation | 5,632 |
| Changes in Operating Assets and Liabilities - | |
| Decrease in - | |
| Receivables | 6,095 |
| Increase in - | |
| Accounts Payable and Accrued Expenses | <u>23,791</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 111,237</u> |

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

RDSC, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices followed by the company are as follows:

DESCRIPTION OF BUSINESS - RDSC, LLC, an Ohio limited liability company, operates as a registered securities broker and dealer. The company does not carry security accounts for customers or perform custodial functions relating to customer securities and clears all transactions through a clearing service. The company's offices are located in Cincinnati, Ohio and the company transacts business on the world markets for clients principally in the midwestern and southeastern United States.

The company is a wholly-owned subsidiary of Sena Weller Rohs Williams Inc.

CASH AND CASH EQUIVALENTS - The company considers all money market accounts and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The company maintains at various financial institutions cash and cash equivalent accounts which may exceed federally insured amounts at times and which may at times significantly exceed balance sheet amounts due to outstanding checks.

EQUIPMENT AND FURNITURE - Equipment and furniture are stated at cost. Expenditures for repairs and maintenance are charged to expense as incurred and additions and improvements that significantly extend the lives of assets are capitalized. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts and any gain or loss is reflected in operations.

Depreciation is provided using the accelerated method over the estimated useful lives of the depreciable assets.

REVENUES - The company records commission revenue and expense arising from securities transactions on a settlement date basis, generally the third business day following the transaction date, except option transactions which settle in one day.

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

INCOME TAXES - The company has elected to be taxed as a limited liability company under the provisions of Section 7701 of the Internal Revenue Code. Each member is personally liable for their proportionate share of the company's federal and state taxable income. Therefore, no provision or liability for federal and state income taxes is reflected in these financial statements. The provision for income taxes consists solely of city income taxes.

RDSC, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

LIMITED LIABILITY CORPORATION FORMATION

RDSC, LLC was formed on July 16, 2001, with Sena Weller Rohs Williams Inc. as its sole member. On September 1, 2001, Sena Weller Rohs Williams Inc. transferred all of the assets and liabilities associated with its operations as a broker and dealer in securities to RDSC, LLC. This transfer was recorded at the carrying amount of the parent company.

The financial statements of RDSC, LLC have been prepared as though the transfer of assets and liabilities had occurred on January 1, 2001.

RELATED PARTY TRANSACTIONS

Sena Weller Rohs Williams, LLC (SWRW, LLC), a wholly-owned subsidiary of Sena Weller Rohs Williams, Inc. shares office space with the company and pays substantially all expenses of the company. The company reimburses SWRW, LLC for its share of all expenses on a monthly basis. These expenses included \$40,546 in rent expense for the year ended December 31, 2001, that was paid to another company under common control. Accounts payable as of December 31, 2001, included \$42,907 payable to SWRW, LLC.

SWRW, LLC is a registered investment advisor and its portfolio managers place certain securities trades on behalf of their customers through RDSC, LLC. These trades made up approximately 75% of the commission income for RDSC, LLC for the year ended December 31, 2001./

NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of rule 15c3-1 of the Securities Exchange Act of 1934, the company is required to maintain minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. The company's net capital requirement was \$50,000 as of December 31, 2001, and its defined net capital and net capital ratio were \$154,570 and 0.29 to 1 at December 31, 2001.

There were no liabilities subordinated to claims of creditors as of December 31, 2001 or during the year then ended.

SUPPLEMENTARY INFORMATION

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER RDSC, LLC

as of December 31, 2001

COMPUTATION OF NET CAPITAL

| | | | |
|--|----|---------|----------------|
| 1. Total ownership equity from Statement of Financial Condition | \$ | 172,826 | 3480 |
| 2. Deduct ownership equity not allowable for Net Capital | | | 3490 |
| 3. Total ownership equity qualified for Net Capital | | 172,826 | 3500 |
| 4. Add: | | | |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital | | | 3520 |
| B. Other (deductions) or allowable credits (List) | | | 3525 |
| 5. Total capital and allowable subordinated liabilities | \$ | | 3530 |
| 6. Deductions and/or charges: | | | |
| A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) | | 11,131 | 3540 |
| B. Secured demand note deficiency | | | 3590 |
| C. Commodity futures contracts and spot commodities- proprietary capital charges | | | 3600 |
| D. Other deductions and/or charges | | 4,000 | 3610 |
| | | | (15,131) 3620 |
| 7. Other additions and/or allowable credits (List) | | | 3630 |
| 8. Net capital before haircuts on securities positions | \$ | | 157,695 3640 |
| 9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)): | | | |
| A. Contractual securities commitments | \$ | | 3660 |
| B. Subordinated securities borrowings | | | 3670 |
| C. Trading and investment securities: | | | |
| 1. Exempted securities | | | 3735 |
| 2. Debt securities | | | 3733 |
| 3. Options | | | 3730 |
| 4. Other securities | | 3,125 | 3734 |
| D. Undue Concentration | | | 3650 |
| E. Other (List) | | | 3736 |
| | | | (3,125) 3740 |
| 10. Net Capital | \$ | | 154,570 3750 |

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER RDSC, LLC

as of December 31, 2001

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

| | | | |
|---|----|---------|------|
| 11. Minimum net capital required (6-2/3% of line 19) | \$ | 2,957 | 3756 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ | 50,000 | 3758 |
| 13. Net capital requirement (greater of line 11 or 12) | \$ | 50,000 | 3760 |
| 14. Excess net capital (line 10 less 13) | \$ | 104,570 | 3770 |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19) | \$ | 150,134 | 3780 |

COMPUTATION OF AGGREGATE INDEBTEDNESS

| | | | |
|--|----|--------|------|
| 16. Total A.I. liabilities from Statement of Financial Condition | \$ | 44,362 | 3790 |
| 17. Add: | | | |
| A. Drafts for immediate credit | \$ | 3800 | |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | \$ | 3810 | |
| C. Other unrecorded amounts (List) | \$ | 3820 | 3830 |
| 19. Total aggregate indebtedness | \$ | 44,362 | 3840 |
| 20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) | % | .29 | 3850 |
| 21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) | % | | 3860 |

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

| | | | |
|--|----|------|------|
| 22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits | \$ | 3870 | 3870 |
| 23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ | 3880 | 3880 |
| 24. Net capital requirement (greater of line 22 or 23) | \$ | 3760 | 3760 |
| 25. Excess net capital (line 10 less 24) | \$ | 3910 | 3910 |
| 26. Net capital in excess of: | | | |
| 5% of combined aggregate debit items or \$120,000 | \$ | 3920 | 3920 |

OMIT PENNIES

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II A**

BROKER OR DEALER RDSC, LLC

as of December 31, 2001

Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon

which such exemption is based (check one only)

- A. (k) (1)-\$2,500 capital category as per Rule 15c3-1 4550
- B. (k) (2) (A)-" Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k) (2)(B)-All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm First Clearing Corporation 4335 4570
- D. (k) (3)-Exempted by order of the Commission 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

| Type of Proposed withdrawal or Accrual See below for code to enter | Name of Lender or Contributor | Insider or Outsider? (In or Out) | Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities) | (MMDDYY) Withdrawal or Maturity Date | Expect to Renew (yes or no) | |
|--|-------------------------------|----------------------------------|---|--------------------------------------|-----------------------------|------|
| 4600 | | 4601 | 4602 | 4603 | 4604 | 4605 |
| 4610 | | 4611 | 4612 | 4613 | 4614 | 4615 |
| 4620 | | 4621 | 4622 | 4623 | 4624 | 4625 |
| 4630 | | 4631 | 4632 | 4633 | 4634 | 4635 |
| 4640 | | 4641 | 4642 | 4643 | 4644 | 4645 |
| 4650 | | 4651 | 4652 | 4653 | 4654 | 4655 |
| 4660 | | 4661 | 4662 | 4663 | 4664 | 4665 |
| 4670 | | 4671 | 4672 | 4673 | 4674 | 4675 |
| 4680 | | 4681 | 4682 | 4683 | 4684 | 4685 |
| 4690 | | 4691 | 4692 | 4693 | 4694 | 4695 |

TOTAL\$ 4699

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation Pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION
- 1. Equity Capital
 - 2. Subordinated Liabilities
 - 3. Accruals
 - 4. 15c3-1(c)(2)(iv) Liabilities

RDSC, LLC
FINANCIAL AND OPERATIONAL COMBINED
UNIFORM SINGLE REPORT
December 31, 2001

NONALLOWABLE ASSETS

| | |
|-----------------------------|------------------|
| Clearing Account > \$25,000 | \$ 3,048 |
| Equipment and Improvements | <u>8,083</u> |
| | <u>\$ 11,131</u> |

MONEY MARKET FUND

| | Market Value | Haircut |
|----------------------------------|-------------------------|-----------------|
| Evergreen Money Market Portfolio | \$ <u>156,269</u> | \$ <u>3,125</u> |

NET CAPITAL RECONCILIATION

| | |
|------------------------------------|-------------------|
| Net Capital Per Unaudited Part IIA | \$ 154,565 |
| Rounding Differences | <u>5</u> |
| | <u>\$ 154,570</u> |

CONFIDENTIAL

RDSC, LLC

FINANCIAL STATEMENTS, AUDIT REPORT

AND SUPPLEMENTARY INFORMATION

December 31, 2001