

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



02003740

SEC FILE NUMBER
8- 35565

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

BEST AVAILABLE COPY

Rec'd 2/26/02

FACING PAGE

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

3/5/02 FD

REPORT FOR THE PERIOD BEGINNING 1/1/2001 AND ENDING 12/31/2001
MM/DD/YY MM/DD/YY

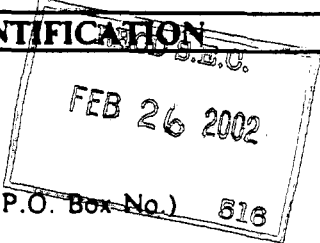
A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Raphael Aryeh and Associates

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
141-51 72nd Crescent

Flushing New York 11367

(City) (State) (Zip Code)



OFFICIAL USE ONLY
FIRM ID. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Raphael Aryeh (718) 263-4852
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Mr. Herman Senft

(Name - if individual, use last, first, middle names)
136-26 72nd Avenue, Flushing, New York 11367

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

CHECK Public Accountant (x) Certified Public Accountant
 Accountant
 Not resident in United States or any of its possessions.

PROCESSED

MAR 18 2002

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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).

3/15/02
S.S

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

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

Mr. Herman Senft

70

ADDRESS	Number and Street	City	State	Zip Code
	136-26 72nd Ave.	Flushing	N.Y.	11367
	71	72	73	74

Check One

- (X) Certified Public Accountant 75
- () Public Accountant 76
- () Accountant not resident in United States or any of its possessions 77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

OATH OR AFFIRMATION

I, Raphael Aryeh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Raphael Aryeh And Associates, 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

PATRICIA D. VITALE
Notary Public, State Of New York
No. 01VI6058264
Qualified In Queens County
Commission Expires May 7, 2003

Patricia D. Vitale
Notary Public

Raphael Aryeh

Signature

General Partner

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. (Statement of Cash Flow)
- (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).

**FORM
X-17A-5**

FOCUS REPORT

OMB No. 3235-0123
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

PART IIA 12

3/88

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a) 16 2) Rule 17a-5(b) 17 3) Rule 17a-11 18
 4) Special request by designated examining authority 19 5) Other 26

NAME OF BROKER-DEALER

RAPHAEL ARYEH AND ASSOCIATES 13

SEC FILE NO.

8-35565 14

FIRM ID. NO.

17858 15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

141-51 72nd Crescent 20

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

1/1/2001 24

AND ENDING (MM/DD/YY)

12/31/2001 25

Flushing 21

(City)

New York 22

(State)

11367 23

(Zip Code)

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

(Area Code)—Telephone No.

Raphael Aryeh 30

(718) 263-4852 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32
34
36
38

33
35
37
39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES 40 NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

WORKING COPY

Dated the 5 day of FEBRUARY 2002
Manual signatures of:

- 1) Raphael Aryeh
Principal Executive Officer or Managing Partner
- 2) Same
Principal Financial Officer or Partner
- 3) Same
Principal Operations Officer or Partner

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

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

BROKER OR DEALER

Raphael Aryeh and Associates

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100

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12/31/2001

SEC FILE NO. 35565

Consolidated

Unconsolidated

99
98
198
199

ASSETS

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash	\$ 75,827		\$ 75,827
2. Receivables from brokers or dealers:			
A. Clearance account	295		
B. Other	300	550	810
3. Receivables from non-customers	355	86	830
4. Securities and spot commodities owned, at market value:			
A. Exempted securities	418		
B. Debt securities	419		
C. Options	420		
D. Other securities	424		
E. Spot commodities	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost	130		
B. At estimated fair value	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities	460	630	880
B. Other securities	150		
C. Other securities	160		
7. Secured demand notes:	470	640	890
market value of collateral:			
A. Exempted securities	170		
B. Other securities	180		
8. Memberships in exchanges:			
A. Owned, at market	190		
B. Owned, at cost		650	
C. Contributed for use of the company, at market value		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490	5,187	5,187
11. Other assets	535	735	930
12. TOTAL ASSETS	\$ 75,827	\$ 5,273	\$ 81,100

OMIT PENNIES

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

BROKER OR DEALER

Raphael Aryeh and Associates

as of 12/31/2001

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING
AND CERTAIN OTHER BROKERS OR DEALERS**

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	841	1205	841
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$	970		
2. Includes equity subordination (15c3-1 (d)) of	980		
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$	990		
C. Pursuant to secured demand note collateral agreements:		1420	1730
1. from outsider: \$	1000		
2. Includes equity subordination (15c3-1 (d)) of	1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 841	\$ 1450	\$ 841

Ownership Equity

21. Sole proprietorship		\$ 1770
22. Partnership (limited partners	\$ 80,259	1020
23. Corporation:		
A. Preferred stock		1791
B. Common stock		1792
C. Additional paid-in capital		1793
D. Retained earnings		1794
E. Total		1795
F. Less capital stock in treasury		1796
24. TOTAL OWNERSHIP EQUITY		\$ 80,259
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 81,100

OMIT PENNIES

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

BROKER OR DEALER

as of 12/31/2001

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	80,259			3480
2. Deduct ownership equity not allowable for Net Capital.....	▼				3490
3. Total ownership equity qualified for Net Capital.....		80,259			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.....	\$	80,259			3530
6. Deductions and/or charges:					
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C).....	▼	\$ 5,273			3540
B. Secured demand note deficiency.....					3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....					3600
D. Other deductions and/or charges.....		504			3610
7. Other additions and/or allowable credits (List).....				(-5,777)	3620
8. Net capital before haircuts on securities positions.....	▼	\$ 74,482			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.....					3734
D. Undue Concentration.....					3650
E. Other (List).....					3736
10. Net Capital.....	\$	74,482			3750

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

BROKER OR DEALER Raphael Aryeh and Associates as of 12/31/2001

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$ 56	3750
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	5,000	3750
13. Net capital requirement (greater of line 11 or 12)	\$ 5,000	3760
14. Excess net capital (line 10 less 13)	\$ 69,482	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$ 74,398	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$ 841	3790
17. Add:		
A. Drafts for immediate credit	\$ 3800	3800
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$ 3810	3810
C. Other unrecorded amounts (List)	\$ 3820	3820
19. Total aggregate indebtedness	\$ 841	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	% 1.129	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
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
24. Net capital requirement (greater of line 22 or 23)	\$	3760
25. Excess net capital (line 10 less 24)	\$	3910
26. Net capital in excess of:		
5% of combined aggregate debit items or \$120,000	\$	3920

OMIT PENNIE

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 IIA**

BROKER OR DEALER

Raphael Aryeh and Associates

For the period (MMDDYY) from 1/1/2001 to 12/31/2001 **3932** to **3933**
 Number of months included in this statement 12 **3931**

STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	3935
b. Commissions on listed option transactions	✓	3938
c. All other securities commissions	22,873	3939
d. Total securities commissions	22,873	3940
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		3945
b. From all other trading		3948
c. Total gain (loss)		3950
3. Gains or losses on firm securities investment accounts	-171	3952
4. Profit (loss) from underwriting and selling groups	✓	3955
5. Revenue from sale of investment company shares		3978
6. Commodities revenue		3980
7. Fees for account supervision, investment advisory and administrative services		3975
8. Other revenue	2,011	3985
9. Total revenue	\$ 24,713	4038

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	\$	4120
11. Other employee compensation and benefits	✓	4115
12. Commissions paid to other broker-dealers		4148
13. Interest expense		4075
a. Includes interest on accounts subject to subordination agreements	4070	
14. Regulatory fees and expenses	1,753	4195
15. Other expenses	31,643	4100
16. Total expenses	\$ 33,306	4300

NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$ -8,683	4210
18. Provision for Federal income taxes (for parent only)	✓	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
a. After Federal income taxes of	4238	
20. Extraordinary gains (losses)		4224
a. After Federal income taxes of	4239	
21. Cumulative effect of changes in accounting principles		4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$ -8,683	4230

MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$ -2,545	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

Rapahel Aryeh and Associates

For the period (MMDDYY) from 1/1/2001 to 12/31/2001

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period	\$	76,315		4240
A. Net income (loss)		-8,683		4250
B. Additions (Includes non-conforming capital of	\$	12,627	4262	4260
C. Deductions (Includes non-conforming capital of	\$		4272	4270
2. Balance, end of period (From item 1800)	\$	80,259		4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period	\$			4300
A. Increases				4310
B. Decreases				4320
4. Balance, end of period (From item 3520)	\$			4330

OMIT PENNIES

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

BROKER OR DEALER	Raphael Aryeh and Associates	as of <u>12/31/2001</u>
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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 | \$5,000 required | 4580 |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <input type="checkbox"/> | 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)	
32	4600	4601	4602	4603	4604	4605
33	4610	4611	4612	4613	4614	4615
34	4620	4621	4622	4623	4624	4625
35	4630	4631	4632	4633	4634	4635
36	4640	4641	4642	4643	4644	4645
37	4650	4651	4652	4653	4654	4655
38	4660	4661	4662	4663	4664	4665
39	4670	4671	4672	4673	4674	4675
40	4680	4681	4682	4683	4684	4685
41	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

FORM X-17A-5

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

Schedule I

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17a-5

Report for the Calendar Year 19 or if less than 12 months

Report for the period beginning and ending
MM DD YY MM DD YY

SEC FILE NUMBER	
8-	35565
8011	

1. NAME OF BROKER DEALER RAPHAEL ARYEH AND ASSOCIATES	N 9	OFFICIAL USE ONLY
8020	Firm No.	8021
	M M Y Y	

2. Name(s) of broker-dealer(s) merging with respondent during reporting period:

NAME: NONE	8053	OFFICIAL USE ONLY	8057
NAME:	8054	V48	8058
NAME:	8055		8059
NAME:	8056		8060

3. Respondent conducts a securities business exclusively with registered broker-dealers: (enter applicable code: 1=Yes 2=No) 8071

4. Respondent is registered as a specialist on a national securities exchange: (enter applicable code: 1=Yes 2=No) 8072

5. Respondent makes markets in the following securities:

(a) equity securities (enter applicable code: 1=Yes 2=No) 8073

(b) municipals (enter applicable code: 1=Yes 2=No) 8074

(c) other debt instruments (enter applicable code: 1=Yes 2=No) 8075

6. Respondent is registered solely as a municipal bond dealer: (enter applicable code: 1=Yes 2=No) 8076

7. Respondent is an insurance company or an affiliate of an insurance company: (enter applicable code: 1=Yes 2=No) 8077

8. Respondent carries its own public customer accounts: (enter applicable code: 1=Yes 2=No) 8078

9. Respondent's total number of public customers accounts: (carrying firms filing X-17A-5 Part II only)

(a) Public customer accounts N/A 8079

(b) Omnibus accounts N/A 8080

10. Respondent clears its public customer and/or proprietary accounts: (enter applicable code: 1=Yes 2=No) 8081

RAPHAEL ARYER AND ASSOCIATES
141-51 72nd Street
FLUSHING, NY 11357
(718) 263-4852

FOCUS REPORT

Schedule I

page 3

RAPHAEL ARYER AND ASSOCIATES
141-51 72nd Street
FLUSHING, NY 11357
(718) 263-4852

17. Respondent is a member of the Securities Investor Protection Corporation
(enter applicable code: 1=Yes 2=No) 1 2 8111
-
18. Number of branch offices operated by respondent 0 1 8112
-
19. Respondent is an affiliate or subsidiary of a foreign broker-dealer
or bank (enter applicable code: 1=Yes 2=No) 1 2 8113
-
20. (a) Respondent is a subsidiary of a registered broker-dealer
(enter applicable code: 1=Yes 2=No) 1 2 8114
- (b) Name of parent ¹² 8116
-
21. Respondent is a subsidiary of a parent which is not a registered broker
or dealer (enter applicable code: 1=Yes 2=No) 1 2 8115
-
22. Respondent sends quarterly statements to customers pursuant to
Rule 10b-10(b) in lieu of daily or immediate confirmations:
(enter applicable code: 1=Yes 2=No) 1 2 8117
-
23. Aggregate Dollar Amount of Non-Exempted OTC Sales of Exchange-
Listed Securities Done by Respondent During the Reporting Period \$ 0 1 8118

* Required in any Schedule I filed for the calendar year 1978 and succeeding years.

HERMAN SENFT
CERTIFIED PUBLIC ACCOUNTANT
136-26 72nd AVENUE
FLUSHING, N. Y. 11367

(718) 261-0678

February 5, 2002

Raphael Aryeh and Associates
141-51 72nd Crescent
Flushing, New York 11367

Gentlemen:

I have examined the Balance Sheet of Raphael Aryeh and Associates as of December 31, 2001 and the statements of Income, Profit and Loss, and of Changes in Cash Flow, for the year then ended, as well as the Changes in Partners' Capital contained therein. My examination was made in accordance with generally accepted auditing standards.

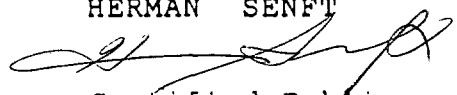
In my opinion the statements present fairly the financial condition of Raphael Aryeh and Associates as of December 31, 2001 and the result of its operations for the twelve -month period then ended.

In addition, I want to assure you that there are no material differences between the computation of the Net Capital of Raphael Aryeh and Associates as reported in the company reports and the amounts stated by me on the FOCUS REPORT PART II A as of December 31, 2001 and no material inadequacies were found in the reports.

Schedule f, h, i, j, m, and n - as enumerated on page two of the facing page - were not found applicable and, therefore, not included in this report.

Very truly yours,

HERMAN SENFT



Certified Public
Accountant
New York

Raphael Oyach & Associates
 Statement of Income Profit and Loss

BEST AVAILABLE COPY

	1	2	3	4	5	6
	October	November	December	4 th qtr	Year	
	2001	2001	2001	2001	2001	
Commission Income	193036	213893	12626	41895	2287293	
Rent	12500	12500	12500	37500	150000	
Electric	4825	5440	6250	16665	91120	
Telephone	27790	25685	25840	92815	374059	
Office Expenses	19265	71481	16800	107596	569679	
Stationery + Postage	2475	823		3298	33176	
Repairs and Maint	17500	17500	17500	52500	210000	
Insurance	15150	15150	15150	46000	183250	
Business Promotion	36020	38460	67310	141790	462970	
Entertainment						
Auto Expenses	20485	22065	22135	64685	238112	
Travel + Transport	15650	12820	14100	42570	314900	
Maintenance Office					6725	
License + Fees		46500	(13900)	32600	175329	
Taxes Paid	11600			11600	34231	
Bank Charges	2096	2264	2200	6560	25919	
Computer Cost					83086	
Web Site	990	990	990	2970	13135	
Depreciation	31168	31168	31168	93504	374016	
Total Expense	217164	307046	228443	752653	3339609	
Profit from Operation	(24128)	(93153)	(216417)	(333698)	(1052316)	
Other Income - Interest	11584	17128	600	29312	201092	
Total Profit	(12544)	(76025)	(215817)	(304386)	(851224)	
Profit (Loss) on Investments	20500	(53500)	(38700)	(71700)	(17125)	
Profit (Loss) on Business	7926	(129525)	(2154517)	(376086)	(868349)	

Raphael Arysth - Associates Balance Sheet

Assets	October 31 2001	November 30 2001	December 31 2001
Cash on Bank	542827	804500	828826
Accounts Receivable	74285	34285	8625
Treasury Bills - at market	684600	7463112	6753800
Permitting Expenses	2071377	2071377	2071377
Reserve for Depreciation	1490225	1521393	1522561
Investments - at market			
Repairs Expenses			
Deposits			
Miscellaneous			
Total Assets	8044264	8181269	8110067
Liabilities			
Wages Payable			
Excise Expenses	6980 17500	24480	31625 52500
Total Liabilities	24480	24480	84125
Net Worth			
R. Arysth - Beginning	6895765	7056825	7176842
Addition to Capital	153930	232560	153640
Admission Net W. T.	7049695	7293415	7330482
Share of Profit	7160	(116573)	(229065)
Total	7056825	7176842	7101417
Drawings			
- Ending		7076825	7176842
P. Arysth - Beginning	962133	962929	949977
Share of Profit	796	(12952)	(23252)
- Ending		962929	949977
Total Net Worth	8019784	8126819	8025942
Total	8044264	8181269	8110067

Initials Date
 Prepared By
 Approved By

Ryback Arzchi Associates
Trust Balance

Prepared By:	Initials	Date
Approved By:		

ACCOUNTANTS SUPPLY HOUSE NO. 7306		(1)	(2)	(3)	(4)	(5)
NO.		October 31, 2001		November 30, 2001		December 31, 2001
1	Cash - Checking	114 19		102071		99871
2	- Royal Dry	531408		702429		728955
3	Accounts Receivable	187529		147529		142529
4	Treasury Bills - Cert	6792768		6792768		6792768
5	Other Investments					
6						
7	Furniture - Fixture	2071377		2071377		2071377
8	Reserve for Depreciat		1178545		1178545	1178545
9	Payables		108244		108244	108244
10	Partners Net Worth - RO		6620114		6620114	6620114
11	- PA		1011361		1011361	1011361
12	Drawings - RA		877416		1109176	1267816
13						
14	Commission Income		2061374		222567	2287292
15						
16	Rent	125000		132500		150000
17	Electric	79332		84872		91222
18	Telephone	308534		338219		374059
19	Office Expense	481348		52829		568679
20	Professional Fees	157500		157500		157500
21	Insurance	145520		148300		151625
22	Business Promot	357200		395660		432310
23	Auto Expense	193912		215917		238112
24	Fares - Travel	149570		162390		176490
25	Software	83086		83086		83086
26	License - Regulate	142729		189229		175329
27	Bank Charges	21355		23619		25819
28	Taxes	31231		34231		34231
29	Web Site	11155		12145		13135
30	Postage	32353		33176		33176
31	Equip. - Depreciat	1215		1215		1215
32	Interest + Dividend		183364		200492	201092
33	Travel Expense	138410		138410		138410
34	Maint -	6725		6725		6725
35						
36	Mark to Market		23052		23052	23052
37						
38						
39						
40						
		12058676	12058676	12526257	12526257	12692522

Raphael Urych - Associates
Statement of Cash Flow
for the year ended December 31, 2001

Prepared By	Initials	Date
Approved By		

ACCOUNTANTS SUPPLY HOUSE NO. 7303 (1) (2) (3)

N R O.	L				
		<i>Cash flow from Operating Activities</i>			
1		<i>Net Profit for Period</i>		(8,683.49)	
2					
3		<i>Changes in Assets - Liabilities</i>			
4		<i>(Increase) Decrease in Accounts Receivable</i>		730.35	
5		<i>Increase (Decrease) in Pixed Assets</i>			
6		<i>Depreciation Charged against Income</i>		3,740.16	
7		<i>(Increase) Decrease in Prepaid Expenses</i>		27.60	
8		<i>(Increase) Decrease in Accounts Payable</i>		(766.10)	
9					
10					
11		<i>Total Cash Increase (Decrease) from Operating Activities</i>			(4,950.98)
12					
13					
14		<i>Cash flow from Financing Activities</i>			
15		<i>Partners' Investment (Withdrawals)</i>		12,678.17	
16					
17		<i>Cash flow from Other Activities</i>			
18		<i>Prepaid Commissions</i>			
19					
20					
21		<i>Total Cash Increase (Decrease) from Other Activities</i>			12,678.17
22					
23					
24					
25		<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>			7,677.19
26					
27					
28		<i>Balance of Cash and Cash Equivalents December 31, 2000</i>			68,149.07
29					
30					
31		<i>Total Cash and Cash Equivalents December 31, 2001</i>			75,826.26
32					
33					
34					
35		<i>See Balance Sheet</i>			
36		<i>Cash</i>		8,782.26	
37		<i>Cash Equivalents - Treasury Bills</i>		67,538.50	
38		<i>Investments</i>			
39					
40		<i>Total</i>			75,826.26