

OM

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

02003826 23
 Expires: September 30, 1998
 Estimated average burden
 hours per response . . . 12.00
 SEC FILE NUMBER
 49646

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

REC'D
MAR 07 2002
143
SEC MAIL
WASH. D.C.
SECTION

3/6/02

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

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2001 AND ENDING DECEMBER 31, 2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
PWC SECURITIES CORP.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
205 CHERRY HILL ROAD
(No. and Street)

PARSIPPANY NEW JERSEY 07054
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
PAUL W. CHOI 973-402-2659
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ROGER SECCIA, CPA
(Name - if individual, state last, first, middle name)
164 RIVER ROAD, MONTAGUE NEW JERSEY 07827
(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 15 2002

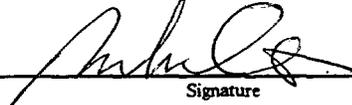
FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

*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).

3/15

OATH OR AFFIRMATION

I, PAUL W. CHOI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PWC SECURITIES CORP., 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:


Signature

PRESIDENT
Title

 2.19.02
Notary Public

TONAË MARY BETTELLI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 4/7/03

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).

**PWC SECURITIES CORP.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2001**

**PWC SECURITIES CORP.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2001**

TABLE OF CONTENTS

Independent Auditor's Report	1.
Statement of Financial Condition	2.
Statement of Income	3.
Statement of Changes in Stockholder's Equity	4.
Statement of Cash Flows	5.
Notes to Financial Statements	6.
Supplemental Schedules	8.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
PWC Securities Corp.

I have audited the accompanying statement of financial condition of PWC Securities Corp., as of December 31, 2001, and the related statements of income, changes in stockholder's equity, 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 my 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of PWC Securities Corp., at December 31, 2001, and the results of its operations, cash flows, and changes in stockholder's equity for the year then ended, in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is additional information required by Rule 12a-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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Roger Seccia, CPA
February 15, 2002

PWC SECURITIES CORP.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2001

ASSETS:

Cash	\$ 53,407
Investments	132,847
Due from Brokers	5,239
Investment in NASD	18,900
TOTAL ASSETS	<u>210,393</u>

LIABILITIES:

Income Tax Payable	5,905
TOTAL LIABILITIES	<u>5,905</u>

STOCKHOLDERS' EQUITY:

Common Stock, \$10 Par Value, Authorized 1000 Shares, Issued 100 Shares	1,000
Additional Paid in Capital	99,000
Retained Earnings	104,488
TOTAL STOCKHOLDERS' EQUITY	<u>204,488</u>

TOTAL LIABILITIES AND EQUITY	<u>\$ 210,393</u>
-------------------------------------	--------------------------

See Auditor's Report and Notes to Financial Statements

**PWC SECURITIES CORP.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001**

REVENUES:

Commission Income	\$ 40,464
Other Fee Income	10,611
Interest Income	5,720

TOTAL REVENUE 56,795

OPERATING EXPENSES:

Registration Fees	3,853
Professional Fees	2,800
Membership Fees	872
Utilities	3,368
Office Supplies & Postage	740
Insurance	379
Prof. Subscriptions	794
Clearing Charges	11,151
Entertainment	4,212
Business Development	1,380
Miscellaneous Expense	1,003

TOTAL OPERATING EXPENSES 30,552

INCOME FROM OPERATIONS 26,243

INCOME TAX EXPENSE 5,701

NET INCOME \$ 20,542

See Auditor's Report and Notes to Financial Statements

PWC SECURITIES CORP.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>COMMON STOCK</u>		<u>ADDITIONAL PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL STOCKHOLDERS' EQUITY</u>
	<u>SHARES</u>	<u>AMOUNT</u>			
<u>BALANCES AT:</u>					
January 1, 2001	100	\$1,000	\$99,000	\$83,946	\$183,946
Net Income				\$20,542	\$20,542
December 31, 2001	100	\$1,000	\$99,000	\$104,488	\$204,488

See Auditor's Report and Notes to Financial Statements

**PWC SECURITIES CORP.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Flows from Operating Activities:

Net income	\$ 20,542
Increase in Amounts due from Brokers	11,556
Increase in Liabilities	<u>(3,940)</u>

Net Cash Flows from Operating Activities \$ 28,158

Cash Flows from Investing Activities:

Increase in Investments	(24,264)
Net Cash Flows from Investment Activities	<u>(24,264)</u>

Net Increase in Cash **3,894**

Cash - Beginning of Year **49,513**

Cash - End of Year **\$ 53,407**

See Auditor's Report and Notes to Financial Statements

PWC SECURITIES CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE 1: ORGANIZATION AND NATURE OF BUSINESS

PWC Securities Corp. is registered with the Securities and Exchange Commission as a broker-dealer, and is a member of the National Association of Securities Dealers, Inc. PWC Securities Corp. is a one hundred percent (100%) owned subsidiary of PWC Group Inc.

The Company's primary activity is acting as an introducing broker for clients, and uses a non-affiliated clearing broker on a fully disclosed basis to perform trades, settlements and related activities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities Transactions: All securities transactions, related commission income, and related expenses are recorded on the trade date.

Cash & Cash Equivalents: Consists of cash and money market funds in the amount of \$ 35,000.00 being held by Fiserv Securities, Inc. as a deposit. Fiserv Securities, Inc. is the primary clearing firm used by PWC Securities Corporation.

Investments: The investments consist of cash & cash equivalents, and accordingly, are shown at cost.

NOTE 3: INCOME TAXES

Current income taxes are provided on taxable income at the appropriate statutory rate. There were no deferred income taxes as of December 31, 2001. PWC Securities Corp. is a one hundred percent (100%) owned subsidiary of PWC Group Inc., and accordingly, files a consolidated federal income tax return with PWC Group Inc. All taxable income, tax provisions, and tax liabilities are allocated between the two entities on a separate return basis, but may, where applicable, recognize the tax benefits of net operating losses or capital losses utilizable in the consolidated entity. State and local tax returns are filed separately.

NOTE 4: USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 5: CONTINGENCIES

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the Company to maintain a minimum net capital, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2001, the company had net capital of \$ 182,931 which was \$ 177,931 in excess of its required net capital of \$ 5000.. The company's net capital ratio was 0.0323 to 1.

NOTE 6: RELATED PARTY TRANSACTIONS

- A. All Furniture, Fixtures & Equipment used by PWC Securities Corp. are owned by it's one hundred percent (100%) parent shareholder, PWC Group Inc. Accordingly, these assets are not reflected on PWC Securities Corp.'s financial statements. No charges are assessed for the use of these assets.

- B. The office space occupied by PWC Securities Corp. is leased by it's one hundred percent (100%) parent shareholder, PWC Group Inc. No occupancy charges are assessed by the parent, and accordingly, no rental or lease expense is reflected on the financial statements.

PWC SECURITIES CORP.
SUPPLEMENTAL SCHEDULES

- I Computation of Net Capital under Rule 15c-3-1 of the Securities and Exchange Commission.
- II Reconciliation of the Audited Net Capital and the Unaudited Net Capital as shown on the Firm's Part IIA Report.
- III Report of Material Inadequacies.

PWC SECURITIES CORP.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
DECEMBER 31, 2001

<u>Net Capital:</u>	
Total Stockholders' Equity:	\$ 204,488
Deductions, Charges, and Allowable Credits:	
Interest Receivable	<u>(18,900)</u>
Net Capital before Haircuts in Securities	185,588
Haircuts on Securities	(2,657)
Net Capital	<u><u>\$ 182,931</u></u>
<u>Aggregate Indebtedness:</u>	
Income Taxes Payable	<u>\$ 5,905</u>
Total Aggregate Indebtedness	<u><u>5,905</u></u>
Minimum Net Capital Required	<u>5,000</u>
Excess Net Capital	<u><u>\$ 177,931</u></u>
Ratio: Aggregate Indebtedness to Net Capital	<u><u>.0323 to 1</u></u>

**PWC SECURITIES CORP.
RECONCILIATION OF AUDITED NET CAPITAL
AND THE UNAUDITED NET CAPITAL AS SHOWN
ON THE PART IIA FOCUS REPORT
DECEMBER 31, 2001**

Net Capital per Focus Report	\$ 204,762
Net Capital per the Audited Report	<u>204,488</u>
Difference	<u>\$ 274</u>

Note: Difference is due to a 2001 audit adjustment to the firm's
Provision for federal and state income taxes.

SCHEDULE III

**PWC SECURITIES CORP.
REPORT OF MATERIAL INADEQUACIES
DECEMBER 31, 2001**

THERE WERE NO MATERIAL INADEQUACIES FOUND TO EXIST DURING MY
AUDIT OF THE FINANCIAL STATEMENTS OF PWC SECURITIES
CORPORATION FOR THE YEAR ENDED DECEMBER 31, 2001
