

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

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hours per response . . . 12.00

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

RECEIVED  
MAR 05 2002  
SEC FILE NUMBER  
8-23314  
354  
SECTION

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

3/8/02

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:

QUANTITATIVE ANALYSIS SERVICE, INC.

OFFICIAL USE ONLY

FIRM ID. NO.

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

95 CHRISTOPHER COLUMBUS DRIVE, FLOOR 12-A

(No. and Street)

JERSEY CITY

NJ

07302-2927

(City)

(State)

(Zip Code)

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

MALVIN B. ROESCH

(201) 432-7900

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

SANFORD BECKER & CO., PC

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

1430 BROADWAY - 6th FLOOR NEW YORK, NY

10018

(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 21 2002

THOMSON  
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).

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

BROKER OR DEALER

QUANTITATIVE ANALYSIS SERVICE, INC.

N

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

As of (MM/DD/YY) 2 / 31 / 01 99  
 SEC FILE NO. 8-23314 98  
 Consolidated  198  
 Unconsolidated  199

ASSETS

	<u>Allowable</u>		<u>Non-Allowable</u>		<u>Total</u>
1. Cash .....	309,838	200			309,838 750
2. Receivables from brokers or dealers:					
A. Clearance account .....	55,845	295			
B. Other .....	122,814	300	73,608	550	252,267 810
3. Receivable from non-customers .....		355	2,063,479	600	2,063,479 830
4. Securities and spot commodities owned, at market value:					
A. Exempted securities .....	269,849	418			
B. Debt Securities .....		419			
C. Options .....		420			
D. Other securities .....		424			
E. Spot commodities .....		430			
					269,849 850
5. Securities and/or other investments not readily marketable:					
A. At cost ....	12,400	130			
B. At estimated fair value .....	0	440		610	0 860
6. Securities borrowed under subordination agreements					
an partners' individual and capital					
securities accounts, at market value:		460		630	880
A. Exempted securities .....		150			
B. Other securities .....		160			
7. Secured demand notes: .....		470		640	890
Market value of collateral:					
A. Exempted securities .....		170			
B. Other securities .....		180			
8. Membership in exchanges:					
A. Owned, at market .....		190			
B. Owned, at cost .....				650	
C. Contributed for use of the company				660	900
at market value .....					
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	54,751	680	54,751 920
11. Other assets .....		535	30,310	735	30,310 930
<b>TOTAL ASSETS .....</b>	<b>758,346</b>	<b>540</b>	<b>2,222,148</b>	<b>740</b>	<b>2,980,494 940</b>

OMIT PENNIES

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

BROKER OR DEALER

QUANTITATIVE ANALYSIS SERVICE, INC.

as of 12 / 31 / 01

**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 .....	426,563	1205	426,563
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		
Securities borrowings, at market value: ..		1410	1720
from outsiders .....	990		
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders .....	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 .....	426,563	1230	426,563

**Ownership Equity**

21. Sole proprietorship .....		1770
22. Partnership (limited partners .....	1020 )	1780
23. Corporation:		
A. Preferred stock .....		1791
B. Common Stock .....		168,403
C. Additional paid-in capital .....		55,000
D. Retained earnings .....		2,330,528
E. Total .....		2,553,931
F. Less capital stock in treasury .....		( ) 1796
TOTAL OWNERSHIP EQUITY .....		2,553,931
TOTAL LIABILITIES AND OWNERSHIP EQUITY .....		2,980,494

OMIT PENNIES

QUANTITATIVE ANALYSIS SERVICE, INC.  
STATEMENT OF INCOME  
YEAR ENDED DECEMBER 31, 2001

REVENUE

Commissions	940,348
Fees	3,249,860
Dividends & Interest	59,644
Profit - (loss) Investment Securities	(46,430)
	<u>\$ 4,203,422</u>

EXPENSES

Employee Compensation & Related Costs	2,807,648
Communication Expense	320,919
Occupancy and Equipemnt Expenses	639,542
Professional and Consultant Fees	167,365
Other Operating Expenses	468,949
	<u>\$ 4,404,423</u>

NET LOSS (Note 2)

\$ (201,001)

SEE NOTES TO FINANCIAL STATEMENTS

QUANTITATIVE ANALYSIS SERVICE, INC.  
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
 YEAR ENDED DECEMBER 31, 2001

	COMMON <u>STOCK</u>	ADDITIONAL PAID-IN <u>CAPITAL</u>	RETAINED <u>EARNINGS</u>	<u>TOTAL</u>
<u>BALANCE</u> at January 1, 2001	168,403	55,000	3,865,048	4,088,451
Add:				
Net Earnings (Loss)			(201,001)	(201,001)
Deduct:				
Shareholder's Distributions			(1,333,519)	(1,333,519)
<u>BALANCE</u> at December 31, 2001	168,403	55,000	2,330,528	2,553,931

SEE NOTES TO FINANCIAL STATEMENTS

QUANTITATIVE ANALYSIS SERVICE, INC.  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2001  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating activities:	
Net Income (Loss)	\$ (201,001)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	44,771
Decrease in Accounts Receivable	516,474
Decrease in Accounts Payable and Accrued Expenses Payable:	(60,568)
Increase in Other Assets	<u>(5,571)</u>
Total Adjustments	<u>495,106</u>
Net Cash Provided for Operating Activities	294,105
Cash Flows from Investing Activities:	
Capital Expenditures	37,053
Decrease in Securities Owned	(1,244,658)
Shareholder's Distributions	<u>1,333,519</u> 125,914
Net Increase in Cash and Cash Equivalents	168,191
Cash and Cash Equivalents At Beginning of Year	<u>141,647</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 309,838</u></u>

QUANTITATIVE ANALYSIS SERVICE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

1) Summary of significant accounting policies:

Accounting for commission income is on a settlement date basis.

Securities owned are valued at market.

2) The corporation and shareholders have elected effective January 1, 1985 to be treated as a Subchapter S Corporation under applicable Federal and New Jersey State Law. Accordingly no provision has been made for Federal Corporation Income Tax.

3) Net Capital Requirements:

The corporation is subject to the uniform net capital rule (Rule 15C3-1) of the Securities and Exchange Act of 1934, which requires the corporation to maintain a ratio of aggregate indebtedness to net capital as defined, not to exceed 15 to 1. At December 31, 2001 Quantitative Analysis Service, Inc. net capital was \$326,386 whereas the required net capital was \$100,000. The ratio of aggregate indebtedness to net capital was 131% compared to a maximum amount allowance of 1500%.

The corporation solicits and services customer accounts, which are introduced on a fully disclosed basis to Schroder & Co., Bear Stearns Securities Corp., and Paine Webber. The corporation's principal sources of revenue are commissions earned on customer accounts and management fees. The corporation does not hold customer's cash and/or securities and is exempt from the provision of SEC Rule 15C3-3 under sub-paragraph K (2)(b).

4) The corporation is exempt under Rule 15C3-3 since all customer transactions are cleared through another broker dealer on a fully disclosed basis. We have ascertained that the conditions of this exemption were being complied with as of December 31, 2001 and that no facts came to our attention to indicate that the exemption had not been complied with during this period.

5) 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 revenue and expense during the reporting period. Actual results could differ from these estimates. We do not consider any differences in these financial statements to be material.

6) The corporation maintains cash in bank accounts which, at times may exceed federally insured limits.

7) Quantitative Analysis Service, Inc. is obligated under the terms of a lease for its office space, storage and parking, dated January 7, 2002, expiring January 31, 2007. The yearly base rent is \$209,103.12.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

QUANTITATIVE ANALYSIS SERVICE, INC.

as of 12/31/01

COMPUTATION OF NET CAPITAL

. Total ownership equity from Statement of Financial Condition .....	2,553,931	3480	
. Deduct Ownership equity not allowable for net capital .....	( )	3490	
. Total ownership equity qualified for net capital .....	2,553,931	3500	
. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital ...		3520	
B. Other (deductions) or allowable credits (List) .....		3525	
2. Total capital and allowable subordinated liabilities .....	2,553,931	3530	
3. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C) .....	2,222,148	3540	
B. Secured demand note deficiency .....		3590	
C. Commodity futures contracts and spot commodities			
-proprietary capital charges .....		3600	
D. Other deductions and/or charges .....		3610	
	( 2,222,148 )	3620	
7. Other additions and/or allowable credits (List) .....		3630	
8. Net Capital before haircuts on securities positions .....	331,783	3640	
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f) ):			
A. Contractual securities commitments .....		3660	
B. Subordinated securities borrowings .....		3670	
Trading and investment securities			
1. Exempted securities .....	5,397	3735	
2. Debt securities .....		3733	
3. Options .....		3730	
4. Other securities .....		3734	
D. Undue concentration .....		3650	
E. Other (List) .....		3736	
	( 5,397 )	3740	
10. Net Capital .....	326,386	3750	

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

**BROKER OR DEALER**

**QUANTITATIVE ANALYSIS SERVICE, INC.**

as of 12/31/01

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19) .....	28,451	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) .....	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	100,000	3760
14. Excess net capital (line 10 less 13).....	226,386	3770
15. Excess net capital at 100% (line 10 less 10% of line 19) .....		3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition .....	426,563	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 .....	426,563	3840
20. Percentage of aggregate indebtedness to net capital (line 19 / by line 10) .....	131%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1 (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 net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	NOT APPLICABLE	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 the greater of:		
A. 5% of combine aggregate debit items or \$120,000 .....		3920

**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 alternate method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes 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**

**QUANTITATIVE ANALYSIS SERVICE, INC.**

as of 12/31/01

**Exemptive Provisions 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 BEAR STEARNS SECURITIES CORP. UBS PAINE WEBBER, INC., B NY CLEARING SERVICES LL, 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 With drawn (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

QUANTITATIVE ANALYSIS SERVICE, INC.  
RECONCILIATION OF COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM NET  
CAPITAL RULE 15c3-1 TO CORPORATION'S CORRESPONDING UNAUDITED FORM X-17A-5  
PART IIA  
FILING DECEMBER 31, 2001

Net Capital per computation pursuant to Audited Form X-17A-5 Part IIA Filing	\$ 326,386
Adjustments:	
Audit adjustments - Accrued Income, salaries and expenses depreciation, etc., including year end adjustments	27,327
	<hr/>
Net Capital per Corporation's unaudited Form X-17a-5 Part IIA filing	<u>\$ 299,059</u>

SEE NOTES TO FINANCIAL STATEMENTS

SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT ON INTERNAL CONTROL

Board of Directors  
Quantitative Analysis Service, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Quantitative Analysis Service Inc. for the year ended December 31, 2001 we considered its internal control structure including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by Quantitative Analysis Service, Inc. including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a) (11) and or determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure and practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the company has responsibility and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity

with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

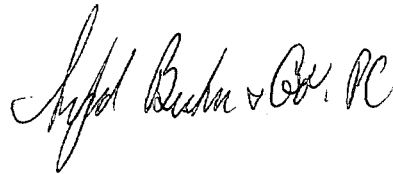
Because of inherent limitations in an internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection on any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy of such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and should not be used for any other purpose.

New York, New York  
February 15, 2002





QUANTITATIVE ANALYSIS SERVICE, INC.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
ON PART IIA OF FORM X-17A-5

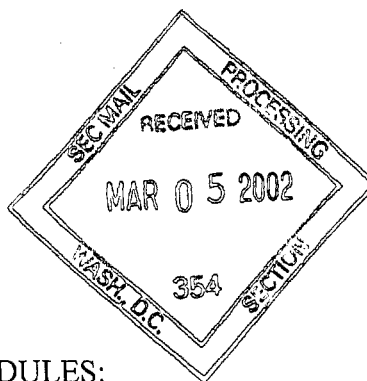
YEAR ENDED DECEMBER 31,2001

QUANTITATIVE ANALYSIS SERVICE, INC.

December 31, 2001

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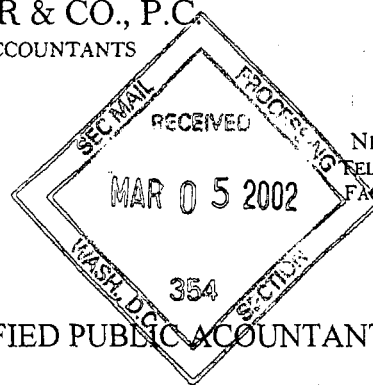
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SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.  
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1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Quantitative Analysis Service, Inc.

We have audited the accompanying statement of financial condition of Quantitative Analysis Service, Inc. as of December 31, 2001 and the related statements of income, changes in stockholders' 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 Quantitative Analysis Service, Inc. as of December 31, 2001 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules listed on the accompanying index 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 of the Securities and Exchange Commission. 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.

New York, New York  
February 15, 2002



FOCUS REPORT

FORM

(Financial and Operational Combined Uniform Single Report)

X-17A-5

PART IIA 12

10/85

(Please read instructions before preparing Form)

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

1) Rule 17a-5(a) X 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

QUANTITATIVE ANALYSIS SERVICE, INC. 13

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

95 CHRISTOPHER COLUMBUS DRIVE 20

(No and Street)

JERSEY CITY 21

(City)

NEW JERSEY 22

(State)

07302 23

(Zip)

SEC FILE NO

8 23314 14

FOR FIRM ID NO 15

FOR PERIOD BEGINNING (MM/DD/YY)

01 / 01 / 01 24

AND ENDING (MM/DD/YY)

12 / 31 / 01 25

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

HIROTSUGU SAKATA 30

(Area Code) - Telephone No.

(201) 432-7900 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 X 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

X 42

EXECUTION:

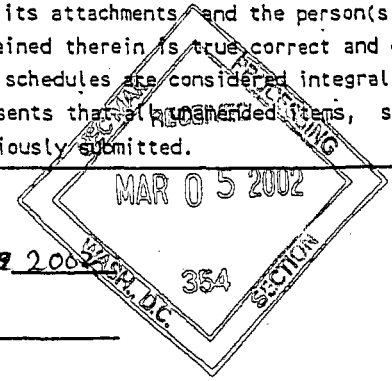
The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of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

Dated the 25<sup>th</sup> day of February 2002 Manual Signatures of

1) Hirotsugu Sakata Principal Executive Officer or Managing Partner

2) Principal Financial Officer or Partner

3) 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. 78:f (a) )

OATH OR AFFIRMATION

HIROTSUGU SAKATA

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 QUANTITATIVE ANALYSIS SERVICE, 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 has any proprietary interest in any account classified solely as that of a customer, except as follows:

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



MARY ELISE WILSON  
NOTARY PUBLIC • STATE OF NEW JERSEY  
No. 2209337  
QUALIFIED IN HUDSON COUNTY  
COMM. EXPIRES 03-13-20 03

*Mary Elise Wilson*  
\_\_\_\_\_  
Notary Public

*Hirotsugu Sakata*  
\_\_\_\_\_  
Signature

Senior Vice President  
\_\_\_\_\_  
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~~ CASH FLOWS
- (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.
- (o) Reconciliation between audited and unaudited computation of Net Capital under Part IIA Filing.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).