

DM



02003961

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

Estimated average burden
hours per response . . . 12.00

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

SEC FILE NUMBER
8-50325

FACING PAGE

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

RECEIVED
MAR 04 2002
148
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:

RP&C International (Securities), Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

399 Park Avenue, Suite 1901

(No. and Street) City State Zip Code
New York New York 10022
(City) (State) (Zip Code)

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

Nigel Lovett (212) 688-7770

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Hall, Kistler & Company LLP

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

220 Market Avenue, South Canton Ohio 44702-2100

(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

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).

OATH OR AFFIRMATION

I, NIGEL J. LOVETT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RP & C INTERNATIONAL (SECURITIES), INC., as of FEBRUARY 28, 2002, 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:

VENUE: State of New York; County of New York
JURAT: Sworn to before me this 28 day of February, 2002

NJ Lovett

Signature

Managing Director

Title

[Signature]
Notary Public

JINAH CHUNG
Notary Public, State of New York
No. 01CH6024364
Qualified in New York County
Commission Expires May 10 2003

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.

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

AUDITED FINANCIAL STATEMENTS

RP&C INTERNATIONAL (SECURITIES) INC.
NEW YORK, NEW YORK

December 31, 2001

C O N T E N T S

	PAGE
INDEPENDENT AUDITOR'S REPORT.....	3
STATEMENT OF FINANCIAL CONDITION.....	4
STATEMENT OF INCOME.....	5
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY.....	6
STATEMENT OF CASH FLOWS.....	7
NOTES TO FINANCIAL STATEMENTS.....	8
SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1.....	10
SCHEDULE II - COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER SEC RULE 15c3-3.....	11
SCHEDULE III - INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER SEC RULE 15c3-3.....	12



HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS

soundideas. solidanswers.

220 MARKET AVENUE, SOUTH • SUITE 700
CANTON, OHIO 44702

PHONE 330 . 453 . 7633
FAX 330 . 453 . 9366

INDEPENDENT AUDITOR'S REPORT

Board of Directors
RP&C International (Securities) Inc.
New York, New York

We have audited the accompanying statement of financial condition of RP&C International (Securities) Inc. as of December 31, 2001, and the related statements of income, changes in shareholder'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 U.S. generally accepted auditing standards. 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 RP&C International (Securities) Inc. as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Schedules I, II and III 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 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.

Hall, Kistler & Company LLP

HALL, KISTLER & COMPANY LLP

Canton, Ohio
February 20, 2002

BKR
INTERNATIONAL

STATEMENT OF FINANCIAL CONDITION

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

ASSETS

Cash	\$ 76,712
Accounts receivable:	
RP&C International, Inc.	155,037
NASD membership	6,000
Organization costs – net of \$13,420 accumulated amortization	0
	<u>\$ 237,749</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES

Accounts payable:	
Trade	\$ 3,500

SHAREHOLDER'S EQUITY

Capital stock:	
Common, \$1 par value:	
1,000 shares authorized, 1 share issued and outstanding	1
Additional paid-in capital	184,999
Retained earnings	49,249
	<u>234,249</u>
	<u>\$ 237,749</u>

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

STATEMENT OF INCOME

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

<u>REVENUES</u>	
Commissions	\$ 100,000
Investment advisory fees	22,000
Interest	2,429
	<u>124,429</u>
 <u>EXPENSES</u>	
Legal fees	13,223
FINOP fees	10,550
Amortization	1,768
Accounting and auditing	4,090
	<u>29,631</u>
	<u>INCOME BEFORE INCOME TAX</u>
	94,798
Income tax - current	32,000
	<u>NET INCOME</u>
	<u>\$ 62,798</u>

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

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL SHAREHOLDER'S EQUITY
Balance – January 1, 2001	\$ 1	\$ 184,999	\$ (13,549)	\$ 171,451
Net income	0	0	62,798	62,798
Balance – December 31, 2001	<u>\$ 1</u>	<u>\$ 184,999</u>	<u>\$ 49,249</u>	<u>\$ 234,249</u>

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

STATEMENT OF CASH FLOWS

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

Cash flows from operating activities:	
Net income	\$ 62,798
Adjustment to reconcile net income to net cash provided by (used in) operating activities:	
Amortization	1,768
Changes in assets and liabilities:	
(Increase) in account receivable	(65,487)
Increase in accrued expenses	3,350
Net cash provided by operating activities	<u>2,429</u>
Net increase in cash	2,429
Cash at the beginning of year	<u>74,283</u>
Cash at end of year	<u><u>\$ 76,712</u></u>

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

NOTES TO FINANCIAL STATEMENTS

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

NOTE A - ORGANIZATION AND NATURE OF BUSINESS

RP&C International (Securities) Inc. (the "Company") is a registered broker/dealer in New York and is a member of the National Association of Securities Dealers (NASD). The Company is a wholly-owned subsidiary of RP&C International, Inc. ("RP&C, Inc."). The Company receives income related to private placements of securities to U.S. investors. It also provides investment banking and advisory services.

NOTE B - ACCOUNTING POLICIES

The Company uses the accrual method of accounting.

The Company considers all highly liquid investments with maturities of three months or less at the date of acquisition to be cash equivalents.

Organization costs consist of legal and other fees incurred in drafting and formation of documents such as bylaws and articles of incorporation. Amortization was computed using the straight-line method over a five-year period.

Membership in the NASD is carried at cost. Management assesses impairment from time to time.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

The Company and RP&C, Inc. file a consolidated Federal income tax return. Federal income tax expense is calculated utilizing the current enacted tax rate of RP&C, Inc. (34%). The Company records its share of the consolidated income tax expense (benefit) and that amount is either remitted to or received from RP&C, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE C - TRANSACTIONS WITH RELATED PARTY

During 2001, RP&C, Inc. was charged \$22,000 in investment advisory fees and paid expenses of the Company totaling \$24,363. Amounts receivable from RP&C, Inc. as of December 31, 2001 are \$155,037, net of \$32,000 income tax payable.

NOTE D - MAJOR CUSTOMER

The Company had commission income from one customer during 2001, which accounted for approximately 80% of total income.

NOTE E - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission (SEC) Uniform Net Capital Rule (rule 15c3-1) which requires the maintenance of \$5,000 minimum net capital as a broker who does not carry customers' accounts. The SEC requires that the ratio of the aggregate indebtedness to the net capital shall not exceed 15 to 1. As of December 31, 2001, the Company had net capital, as defined, of \$73,212, which was \$68,212 in excess of its required net capital of \$5,000, and the net capital ratio, as defined, was .048 to 1.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

NET CAPITAL

Total shareholder's equity qualified for net capital \$ 234,249

Deduct nonallowable assets:

Accounts receivable:

RP&C International, Inc. (155,037)

NASD membership

(6,000)

NET CAPITAL \$ 73,212

TOTAL AGGREGATE INDEBTEDNESS

\$ 3,500

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required \$ 5,000

Excess net capital at 1,500% \$ 68,212

Ratio: Aggregate indebtedness to net capital .048 to 1

SCHEDULE II

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SEC RULE 15c3-3

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

The Company operates under SEC Rule 15c3-3(k)(2)(ii) (the Customer Protection Rule), clearing all transactions on a fully disclosed basis through its clearing firm and therefore does not hold customer funds, safe-keep customer securities or have any customer accounts.

SCHEDULE III

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER SEC RULE 15c3-3

RP&C INTERNATIONAL (SECURITIES) INC.

December 31, 2001

The Company operates under SEC Rule 15c3-3(k)(2)(ii) (the Customer Protection Rule), clearing all transactions on a fully disclosed basis through its clearing firm and therefore does not hold customer funds, safe-keep customer securities or have any customer accounts.



HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS

soundideas. solidanswers.

220 MARKET AVENUE, SOUTH • SUITE 700
CANTON, OHIO 44702

PHONE 330 . 453 . 7633
FAX 330 . 453 . 9366

Board of Directors
RP&C International (Securities) Inc.
New York, New York

In planning and performing our audit of the financial statements of RP&C International (Securities) Inc. for the year ended to December 31, 2001, we considered its internal control, including control activities 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 internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by RP&C International (Securities) Inc. 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 by rule 15c3-3(e). We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and for 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 internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls 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 SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from

unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with U.S. 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 internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of 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 internal control would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud 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 the following matter involving the control environment, and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of RP&C International (Securities) Inc. for the year ended December 31, 2001, and this report does not affect our report thereon dated February 20, 2002. The Company has one bookkeeper who signs all checks, makes all deposits, reconciles the bank account and codes all cash activity for inclusion into the general ledger. We believe that the lack of segregation of duties is a material weakness due to the limited number of employees.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC 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 for 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 SEC's objectives.

This report is intended solely for the use of management, the Board of Directors, the SEC, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Hall, Kistler & Company LLP

HALL, KISTLER & COMPANY LLP

Canton, Ohio
February 20, 2002



HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS

soundideas. **solid**answers.

220 MARKET AVENUE, SOUTH • SUITE 700
CANTON, OHIO 44702

PHONE 330 . 453 . 7633

FAX 330 . 453 . 9366

Board of Directors
RP&C International (Securities) Inc.
New York, New York

No material differences existed at December 31, 2001 between the audited computation of net capital to the corresponding unaudited computation for RP&C International (Securities) Inc.

Hall, Kistler & Company LLP

HALL, KISTLER & COMPANY LLP

Canton, Ohio
February 20, 2002