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

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

SEC FILE NUMBER
8-22589

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

MAR 05 2002

3/8/0270

REPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: P.R. HERZIG & CO., INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

EXPRESSWAY PLAZA ONE, SUITE 200

(No. and Street)

ROSLYN HEIGHTS

NY

11577

(City)

(State)

(Zip Code)

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

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ELLENBOGEN RUBENSTEIN EISDORFER & CO., LLP

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

440 PARK AVENUE SOUTH

NEW YORK

NY

10016

(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
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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).

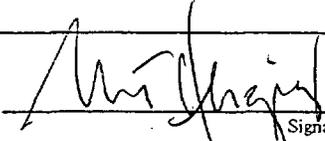
Handwritten signature

Persons who to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

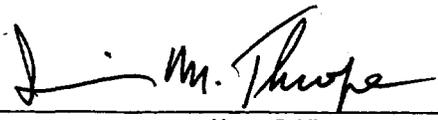
I, THOMAS HERZIG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of P.R. HERZIG & CO., INC., as of

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:


Signature

VICE PRESIDENT

Title



Notary Public

IRWIN M. THROPE
Notary Public, State of New York
No. 30-9331175
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires April 30, 2002

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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



P. R. HERZIG & CO., INC.
AUDITED ANNUAL REPORT
DECEMBER 31, 2001

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INDEPENDENT AUDITOR'S REPORT

Officers and Stockholders'
P. R. Herzig & Co., Inc.

We have audited the accompanying statement of financial condition of P.R. Herzig & Co., Inc. as of December 31, 2001, and the related statements of operations, changes in stockholders' equity and cash flows for the year then ended. 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 generally accepted auditing standards 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.

We did not find any material inadequacies in the accounting system, internal accounting control and procedures for safeguarding securities.

The above firm claims specific exemptions from Rule 15C3-3 of the Securities and Exchange Commission.

We have reviewed the necessary records and have determined that the firm is in compliance with the exemption provision of 15c3-3.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of P.R. Herzig & Co., Inc. as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles 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 Schedule I 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 basis financial statements taken as a whole.

ELLENBOGEN RUBENSTEIN EISDORFER & CO., LLP

January 30, 2002



STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

Thomas Herzig being duly sworn deposes and says:

1. That he is an officer in the firm of P.R. Herzig & Co., Inc.
2. That he has examined the attached Financial Statements and supporting schedules as of December 31, 2001 and to the best of his knowledge and belief, the financial statement and supporting schedules are true and correct.

Thomas Herzig (L.S.)

Sworn to before me this

22 day of February 2002

Irwin M. Thrope
NOTARY PUBLIC

IRWIN M. THROPE
Notary Public, State of New York
No. 30-9331175
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires 2/28/2002 ✓

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response	12.00

**Form
X-17A-5**

FOCUS REPORT
(Financial and Operational Combined Uniform Single Report)
PART IIA 12

(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

P.R. HERZIG & CO., INC.

SEC FILE NO.

8-22589

14

FIRM I.D. NO.

13-2919194

15

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

EXPRESSWAY PLAZA ONE, SUITE 200

FOR PERIOD BEGINNING (MM/DDYY)

01/01/01

24

(No. and Street)

ROSLYN HEIGHTS

NY

11577

AND ENDING (MM/DDYY)

12/31/01

25

(City)

(State)

(Zip Code)

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

ARTHUR PESNER

(Area Code)—Telephone No.

516-621-0200

31

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

OFFICIAL USE

33

34

35

36

37

38

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.

Dated the _____ day of _____ 19____

Manual signatures of:

1) _____
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. 78f(a))

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

ELLENBOGEN RUBENSTEIN EISDORFER & CO., LLP

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (if individual, state last, first, middle name)

70

ADDRESS

440 PARK AVENUE SOUTH

NEW YORK

NY

10016

71

72

73

74

Number and Street

City

State

Zip Code

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States or any of its possessions

77

FOR SEC USE

Empty rectangular box for SEC use.

DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DDYY	DOC. SEQ. NO.	CARD				

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This is to confirm that the 2001 annual statements and operational reports filed with the NASD by P.R. Herzig & Co., Inc. have been made available to all members of the firm.

Philip R. Herzig

PHILIP R. HERZIG L.S.

Thomas Herzig

THOMAS HERZIG L.S.

Sworn to before me this,

22 day of February 2002

Irwin M. Thrope

NOTARY PUBLIC

IRWIN M. THROPE
Notary Public, State of New York
No. 30-9331175
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires: APR 30 2002



P.R. HERZIG & CO., INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2001

ASSETS

Cash	\$ 203,154
Securities – at market	2,312,249
Deposits	66,341
Commissions receivable	84,002
Loans receivable	40,000
Prepaid taxes and expenses	<u>62,913</u>
	<u>\$2,768,659</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:	
Due to broker	\$ 672,533
Accounts payable and accrued expenses	<u>20,000</u>
	<u>692,533</u>
Stockholders' equity	
Capital Stock: authorized 200 shares no par value, 100 shares issued and outstanding	100,000
Retained earnings	<u>1,976,126</u>
Total stockholders' equity	<u>2,076,126</u>
	<u>\$2,768,659</u>

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



P. R. HERZIG & CO., INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

Note 1 – Organization and Significant Accounting Policies:

Organization:

The Company is a broker-dealer registered with the Security and Exchange Commission (SEC) and is a member of NASD.

Security Transactions:

Security transactions are recorded on a trade date basis.

The Company clears all transactions on a fully disclosed basis with a clearing broker. They promptly transmit all funds and deliver all securities to the clearing broker. They do not hold funds or securities for or owe money or securities to customers.

Cash and Cash Equivalents:

For financial statement purposes, the Company considers all highly liquid debt instruments purchased with original maturity of three months or less to be cash equivalents.

Depreciation:

Property and equipment are depreciated utilizing accelerated methods over their estimated useful lives. At December 31, 2001 all property is fully depreciated.

Investments:

Investments are classified as trading securities and are valued at market value.

Use of Estimates:

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



P. R. HERZIG & CO., INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

Note 2 – Commitments and Contingencies:

Leases:

The Company leases office facilities under a cancellable operating leases which expired December 31, 2001.

The corporation extended its current lease for the month of January 2002.

Effective February 1, 2002, the corporation executed a new lease for space in Roslyn Heights, New York. The terms of the agreement call for 5 year period ending January 31, 2007. The future minimum lease payments are as follows:

<u>For The Year Ending December 31,</u>	
2002	\$106,338
2003	109,006
2004	113,371
2005	118,272
2006	<u>122,606</u>
	<u>\$569,593</u>

The above is subject to escalation due to increases in real estate taxes.

Profit Sharing Plan:

The Company has a profit-sharing plan that covers all qualified employees. Contributions to the plan are at the discretion of the Board of Directors. For the year ended December 31, 2001 no contribution has been made.

Note 3 – Securities:

Securities at December 31, 2001 are as follows:

Equity securities, at cost	\$ 3,462,051
Net unrealized losses	<u>(1,149,802)</u>
Fair market value	<u>\$ 2,312,249</u>

Net change in net unrealized losses was \$35,790 for the year ended December 31, 2001.



P.R. HERZIG & CO., INC.

PART II

DECEMBER 31, 2001



P.R. HERZIG & CO., INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001

REVENUES

Commissions	\$1,002,795
Security trading and miscellaneous	<u>(357,835)</u>
Total revenues	<u>644,960</u>

EXPENSES

Salaries and other operating expenses	<u>1,116,236</u>
Net loss before taxes on income	(471,276)
Tax benefit	<u>26,342</u>
Net loss for the year	<u>\$ (444,934)</u>

The accompanying notes are an integral part of the financial statements



P.R. HERZIG & CO., INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001

Cash Flow From Operating Activities:

Net loss for the year	\$(444,934)
Changes in operating assets and liabilities:	
Decrease in income taxes receivable	576,961
Decrease in loan receivable	230,500
Increase in long securities at market	(66,168)
Increase in deposits	(47,391)
Increase commission receivable	(84,002)
Decrease due to broker	(158,753)
Increase in prepaid taxes and expenses	(28,609)
Decrease in interest receivable	<u>1,819</u>
Net cash used in operating activities	(20,577)
Cash, beginning of year	<u>223,731</u>
Cash, end of year	<u>\$ 203,154</u>

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for	
Interest	\$ 67,193
Income taxes	\$ 0

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



P.R. HERZIG & CO., INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2001

Balance, January 1, 2001	\$2,421,060
Net loss for the year	<u>(444,934)</u>
Balance, December 31, 2001	<u>\$1,976,626</u>

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



P.R. HERZIG & CO., INC.

NET CAPITAL COMPUTATION AND AGGREGATE INDEBTEDNESS

FOR THE YEAR ENDED DECEMBER 31, 2001

Capital		\$2,076,126
Less: Nonallowable assets:		
Deposits	\$ 66,341	
Loan receivable	40,000	
Prepaid taxes and expenses	62,913	
NASD warrants	<u>3,300</u>	<u>172,554</u>
		1,903,572
Less: 15% of market value of securities long	346,837	
Undue concentration	<u>140,089</u>	<u>486,926</u>
Net capital		<u>\$1,416,646</u>
Aggregate indebtedness	692,533	
Rate of aggregate indebtedness to net capital	49	
Note: Net capital as computed above		\$1,416,646
Net capital per unaudited Focus Report		<u>1,419,947</u>
Decrease in net capital		<u>\$ (3,301)</u>

The difference between the above computation and that which was submitted with the firm's unaudited Form X-17A-5 is attributable to year end adjustments.



P.R. HERZIG & CO., INC.

CAPITAL COMPUTATION & AGGREGATE INDEBTEDNESS

FOR THE YEAR ENDED DECEMBER 31, 2001

1. The firm's minimum capital requirement is \$46,171 or \$ 100,000

2. The excess net capital at December 31, 2001 is computed as follows:

Net Capital per Page 10-A – Part I of the Annual Report	1,416,646
Less: Minimum Capital Requirement	<u>100,000</u>
Excess Net Capital – December 31, 2001	<u>\$1,316,646</u>

3. There are no financial instruments with concentration of credit risk.