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

SEC FILE NUMBER  
8-35658

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

**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 4/1/2001 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Dowling Partners Securities, LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

190 Farmington Ave.

(No. and Street)

Farmington, CT 06032

(City)

(State)

(Zip Code)

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

Vincent J. Dowling, Jr.

860-676-8600

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Price Waterhouse Coopers, LLP

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

100 Pearl Street Hartford, CT 06103

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**PROCESSED**

**APR 4 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, Vincent J. Dowling Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dowling & Partners Securities, LLC, 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:

Handwritten signature and title 'Managing Member' on a line.

Handwritten signature of Barbara C. Howard.

Notary Public

BARBARA C. HOWARD
NOTARY PUBLIC

MY COMMISSION EXPIRES APR. 30, 2005

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

- (a) Facing page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss). Cash Flows
(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).

**Dowling & Partners Securities, LLC**  
**Consolidated Statements of Financial Condition**  
**December 31, 2001 and 2000**

	2001	2000
<b>Assets</b>		
Cash and cash equivalents	\$ 3,831,774	\$ 3,907,584
Deposits with clearing organization	205,449	230,425
Commissions receivable	456,494	555,972
Syndicate designation receivable	2,361,233	115,500
Securities owned, at fair value (Note 2)	10,505,840	7,084,673
Fixed assets (Note 3)	455,405	909,563
Other assets	54,022	365,129
	<u>17,870,217</u>	<u>13,168,846</u>
Total	<u>\$ 17,870,217</u>	<u>\$ 13,168,846</u>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Incentive compensation payable	\$ 2,742,666	\$ 719,300
Accounts payable and accrued expenses	404,379	401,358
Distribution payable to members	3,779,856	2,352,902
Securities sold, but not yet purchased, at fair value	-	880,643
Deferred revenue	943,316	814,643
	<u>7,870,217</u>	<u>5,168,846</u>
Total liabilities	<u>7,870,217</u>	<u>5,168,846</u>
Members' equity	<u>10,000,000</u>	<u>8,000,000</u>
Total	<u>\$ 17,870,217</u>	<u>\$ 13,168,846</u>

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

**Dowling & Partners Securities, LLC**  
**Consolidated Statements of Income**  
**For the Years Ended December 31, 2001 and 2000**

	2001	2000
<b>Revenues</b>		
Commissions	\$ 9,696,839	\$ 7,890,019
Investment banking fees	2,334,940	115,500
Other income	969,750	561,970
Trading activities	3,200,501	2,727,862
Underwriting sales participation	1,370,643	87,400
Interest and dividends	208,938	242,026
Subscriptions	2,462,374	2,105,108
Total revenues	<u>20,243,985</u>	<u>13,729,885</u>
<b>Expenses</b>		
Salaries, wages and benefits	7,066,375	4,001,747
Clearing and floor brokerage	1,470,549	1,326,407
Other operating expenses	440,707	292,936
Occupancy and equipment	336,526	202,627
Telephone	163,446	186,803
Travel and entertainment	95,023	94,590
Research related	1,560,000	1,440,000
Total expenses	<u>11,132,626</u>	<u>7,545,110</u>
Net income	<u>\$ 9,111,359</u>	<u>\$ 6,184,775</u>

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