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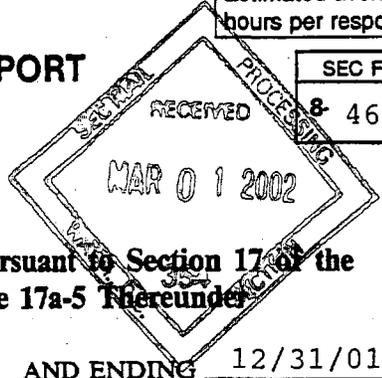
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- 46720



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

REPORT FOR THE PERIOD BEGINNING 1/1/2001 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: *Edge Securities, Inc.*

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
12413 Copenhaver Terrace

(No. and Street)

Potomac

Maryland

20854

(City)

(State)

(Zip Code)

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

Robert K. Horowitz

(301) 251-1827

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Moran & Associates

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

4925 Greenville Avenue, Suite 715 Dallas, TX 75206

(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 04 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, Robert K. Horowitz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Edge Securities, 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:

YOUNG J. AHN
NOTARY PUBLIC
State of Maryland
My Comm. Expires Oct. 1, 2004

Young J. Ahn

Notary Public

Robert K. Horowitz

Signature
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.
- (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).

EDGE SECURITIES, INC.
REPORT ON AUDITED
FINANCIAL STATEMENTS

DECEMBER 31, 2001



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Edge Securities, Inc.
Potomac, Maryland

We have audited the accompanying statement of financial condition of Edge Securities, Inc. a Texas corporation, as of December 31, 2001, and the related statements of income, changes in stockholder'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 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 Edge 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 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 Schedules I and II is presented for the 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.

Moran & Associates, P.C.

Certified Public Accountants
February 20, 2002

Certified Public Accountants

EDGE SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2001

ASSETS

Current Assets:

Cash and Cash Equivalents (Note 1b)	\$ 68,192
Commissions Receivable	<u>1,438</u>
Total Current Assets	<u>69,630</u>

Other Assets

Deferred Tax Asset (Note 1c)	<u>581</u>
Total Other Assets	<u>581</u>

Total Assets	\$ <u>70,211</u>
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LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:

Accounts Payable	\$ <u>3,551</u>
Total Current Liabilities	<u>3,551</u>

Total Liabilities	<u>3,551</u>
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Stockholder's Equity

Class A Convertible Preferred Stock - Par Value \$1.00	
Authorized 10,000 Shares	
Issued and Outstanding - None	
Common Stock - Par Value \$.01	
Authorized 100,000 Shares	
1,000 Shares Issued and Outstanding	10
Additional Paid in Capital	80,990
Retained Earnings - (Deficit)	<u>(14,340)</u>
Total Stockholder's Equity	<u>66,660</u>

Total Liabilities and Stockholder's Equity	\$ <u>70,211</u>
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See Accompanying Notes and Accountants' Report.