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

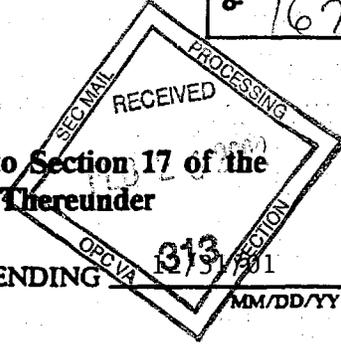
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER  
8-16789

**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 01/01/01 AND ENDING 313/3/01  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

**NAME OF BROKER-DEALER:**

Moran Securities, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

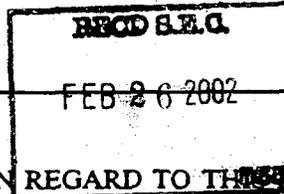
One North Franklin, Suite 700

(No. and Street)

Chicago, Illinois 60606

(City)

(State)



(Zip Code)

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

Thomas F. Moran

(312) 407-6700

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Kapple Jensen & Associates

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

120 E. Ogden Avenue, Suite 130

(Address)

Hinsdale

(City)

Illinois

(State)

60521

(Zip Code)

3/11/02 cv

**CHECK ONE:**

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

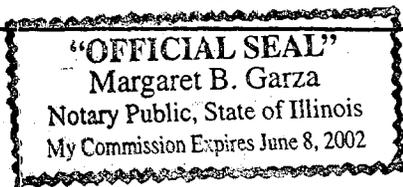
PROCESSED  
MAR 13 2002

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, Thomas F. Moran, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Moran Securities, Inc., as of December 31, 2000, ~~X~~ 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:



Thomas F. Moran  
Signature  
President  
Title

Margaret B. Garza  
Notary Public

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).

**AUDITED FINANCIAL STATEMENTS**

**MORAN SECURITIES, INC.  
(A Limited Partnership)**

**For the Year Ended December 31, 2001**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D. C. 20549**

**ANNUAL AUDITED REPORT  
PURSUANT TO RULE 17a-5(d)**

For The Year Ended December 31, 2001

**MORAN SECURITIES, INC.**

(Name of Respondent)

**Suite 700**

**One North Franklin**

**Chicago, Illinois 60606**

(Address of principal executive office)

**Thomas F. Moran**

**President**

**Moran Securities, Inc.**

**One North Franklin**

**Chicago, IL 60606**

**Telephone 312/407-6700**

(Name and address of person authorized to receive notices and communications from the Securities and Exchange Commission)

**AUDITED FINANCIAL STATEMENTS**

**MORAN SECURITIES, INC.**

Year Ended December 31, 2001

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**KAPPLE JENSEN & ASSOCIATES**  
A CERTIFIED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors  
MORAN SECURITIES, INC.  
Chicago, Illinois

We have audited the financial statements of Moran Securities, Inc. for the year ended December 31, 2001, and have issued our report thereon dated January 22, 2002. As part of our audit, we made a study and evaluation of the Company's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

Also, as required by Rule 17a-5(g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Moran Securities, Inc. that we considered to be relevant to the objective stated in Rule 17a-5(g), [1] in making periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a) (11); [2] in making quarterly securities examinations, counts, verifications and comparisons, and the recording of differences required by Rule 17a-13; and [3] in determining compliance with the exempt provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers.

The management of the Company is responsible for establishing and maintaining a system of internal accounting 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 control procedures and of the practice 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. The objectives of a system of internal accounting control are to provide management with reasonable, but not absolute assurance that assets 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 the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the second paragraph herein.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Moran Securities, Inc. taken as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness. In addition, the Company was in compliance with conditions of the exempt provisions of Rule 15c3-3 as of December 31, 2000 and further, no facts came to our attention indicating that the Company was not in compliance with such conditions during the year ended December 31, 2001.

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 for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate as of December 31, 2001 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, and National Associations of Securities Dealers and should not be used for any other purposes.

  
KAPPLE, JENSEN & ASSOCIATES

Hinsdale, Illinois  
January 22, 2002

## STATEMENT OF FINANCIAL CONDITION

### MORAN SECURITIES, INC.

Year Ended December 31, 2001

#### ASSETS

##### Current Assets:

Cash	\$	44,428
Accounts Receivable		<u>5,000</u>
Total Assets	\$	<u><u>49,428</u></u>

#### STOCKHOLDERS' EQUITY

##### Stockholder's equity:

Common Stock		
Class A, par value \$.01 per share:		
Authorized -- 100,000 shares		
Issued and outstanding -- 40,000 shares	\$	400
Class B, par value \$.01 per share:		
Authorized -- 60,000 shares		
Issued and outstanding -- none		0
Additional paid-in capital		4,960
Retained earnings		<u>44,068</u>
Total Stockholders' Equity	\$	<u><u>49,428</u></u>

See notes to financial statements.

## STATEMENT OF OPERATIONS

**MORAN SECURITIES, INC.**

Year Ended December 31, 2001

INCOME:

Commissions	\$	5,000
Interest		<u>999</u>
	\$	<u>5,999</u>

EXPENSES -- NOTES A & C:

Miscellaneous	\$	362
Professional services		2,500
Dues, publications and subscriptions		750
Taxes & Licenses		<u>1,650</u>
		<u>5,262</u>
NET PROFIT	\$	<u><u>737</u></u>

See notes to financial statements.

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

**MORAN SECURITIES, INC.**

Year Ended December 31, 2001

	<u>Class A Common Stock</u>	<u>Class B Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance December 31, 2000	\$ 400	—	\$ 4,960	\$ 43,331	\$ 48,691
Net profit for the year				737	\$ 737
Balance December 31, 2001	<u>\$ 400</u>	<u>—</u>	<u>\$ 4,960</u>	<u>\$ 44,068</u>	<u>\$ 49,428</u>

See notes to financial statements.

## STATEMENT OF CASH FLOWS

### MORAN SECURITIES, INC.

Year Ended December 31, 2001

#### OPERATING ACTIVITIES

Net Profit for the year	\$	737
Adjustment to reconcile net loss to net cash used in operating activities - increase in accounts receivable		<u>0</u>
NET CASH USED BY OPERATING ACTIVITIES	\$	737
Cash at beginning of year		<u>43,691</u>
CASH AT END OF YEAR	\$	<u><u>44,428</u></u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### **MORAN SECURITIES, INC.** Year Ended December 31, 2001

#### NOTE A – INCOME TAXES

Elections have been made to be taxed under Subchapter S of the Internal Revenue Code, which provides for inclusion of corporate income or loss in the tax returns of the individual stockholder for federal and state income tax purposes.

#### NOTE B – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's "Net Capital Rule" which requires that the Company's net capital, as defined, shall be maintained at the greater of 6 2/3% of aggregate indebtedness, as defined, or \$5,000. As of December 31, 2001 the Company had excess net capital of \$43,648.

#### NOTE C – RELATED PARTY TRANSACTIONS

The Company shares office space with several affiliated parties. Employee compensation, office rental, and other common office expenses are paid by an affiliate and allocated among parties, based upon the relative share of time devoted to each party by the Company's officers.

## SCHEDULE I

### COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS PURSUANT TO RULE 15c3-1

**MORAN SECURITIES, INC.**  
Year Ended December 31, 2001

<u>AGGREGATE INDEBTEDNESS</u>	\$ -
<u>CHARGES TO NET CAPITAL</u> - Furniture & equipment, net	\$ -
<u>NET CAPITAL</u>	
Excess of total assets over total liabilities	\$ 49,428
Total charges to net capital	-
NET CAPITAL BEFORE HAIRCUTS ON SECURITY POSITIONS	\$ 49,428
Haircuts on securities - Money Market Funds (\$38,982 x 2%)	\$ 780
NET CAPITAL	\$ 48,648
<u>NET CAPITAL REQUIRED</u>	
Net Capital requirement (greater of 6 2/3% of aggregate indebtedness or \$5,000)	\$ 5,000

#### Statement Pursuant to Paragraph (d) (4) of Rule 17a-5

There were no material differences between this net capital computation pursuant to Rule 15c3-1 and the corresponding computation included in the Company's unaudited Part II FOCUS Report filing as of the same date.