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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 09/01/2000 AND ENDING 08/31/2001  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Pavek Investments, Inc.

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

2419 W. Brantwood Ave.

(No. and Street)

Glendale

WI

(City)

(State)

OFFICIAL USE ONLY

FIRM ID. NO.

1001 08 2002

359

53209

(Zip Code)

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

Douglas Pavek

(414) - 352-4434

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Gary Hoffman CPA, S.C.

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

5261 N. Port Washington Road Milwaukee

WI

53217

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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THOMSON  
FINANCIAL

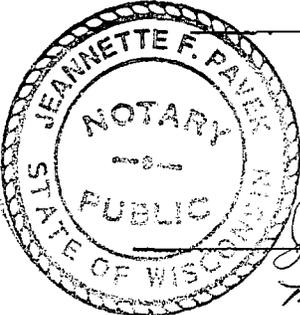
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

*WJ*

OATH OR AFFIRMATION

I, Douglas Pavak, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pavak Investments, Inc., as of August 31, 2001 XXXXXX, 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:

\_\_\_\_\_



Jeannette F. Pavak
Notary Public
Milwaukee County, WI
My Commission 4-11-04

Douglas Pavak
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 xxxxxx 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).

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Hoffman, Gary L.

70

ADDRESS	Number and Street	City	State	Zip Code
	5261 N. Port Washington Road	Milwaukee	Wisconsin	53217
	71	72	73	74

Check One

Certified Public Accountant

75

FOR SEC USE

Public Accountant

76

Accountant not resident in United States or any of its possessions

77

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

PAVEK INVESTMENTS, INC.  
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**GARY HOFFMAN C.P.A., S.C.**

Certified Public Accountant  
5261 North Port Washington Road  
Milwaukee, Wisconsin 53217

(414) 962-8455

Board of Directors  
Pavek Investments, Inc.

I have examined the statement of financial condition of Pavek Investments, Inc., as of August 31, 2001 and the related statements of income, changes in stockholder's equity, and statement of cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other such auditing procedures as I considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the financial position of Pavek Investments, Inc., as of August 31, 2001 and the results of their operations for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

My examination was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information in Part IIA 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 and Exchange Commission. Such information has been subjected to the Auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Gary Hoffman, CPA., S.C.  
September 19, 2001

PAVEK INVESTMENTS, INC.  
STATEMENT OF FINANCIAL CONDITION

August 31, 2001

ASSETS

Current Assets

Cash	\$ 34,220
Accounts Receivable	3,140
Marketable Securities	14,239
Prepaid Taxes	7,275
NASD Stock Subscription	3,300
Total Current Assets	<u>\$ 62,174</u>

Fixed Assets

Furniture & Equipment	28,866
Less: Accumulated Depreciation	<u>15,656</u>

Net Fixed Assets \$ 19,210

Other Assets

Deposit — Clearing Agency	\$ 6,131
Deposit — License	140
Other Assets	1,615
Notes Receivable — Officers	<u>10,874</u>

Total Other Assets \$ 18,760

TOTAL ASSETS \$ 100,144

LIABILITIES

Current Liabilities

Commissions Payable	\$ 2,411
Accounts Payable	434
Accrued Payroll Taxes	3,419
Accrued Payroll	10,000
Accrued Income Tax	<u>343</u>

Total Current Liabilities \$ 16,607

TOTAL LIABILITIES \$ 16,607

Stockholder's Equity

Common Stock	\$ 5,000
Additional Paid-in Capital	31,100
Retained Earnings	<u>47,437</u>

Total Stockholder's Equity \$ 83,537

TOTAL LIABILITIES & STOCKHOLDER'S EQUITY \$ 100,144

The Accompanying Notes Are An Integral Part Of These Financial Statements.

PAVEK INVESTMENTS, INC.  
STATEMENT OF INCOME

FOR THE YEAR ENDED AUGUST 31, 2001

Revenues		
Commissions		\$ 672,890
Interest		920
	Total Revenue	<u>\$ 673,810</u>
Expenses		
Commissions		\$ 562,380
Automobile Expense		1,405
Salaries		60,000
Regulatory Fees		1,320
Employee Benefits		9,588
Professional Fees		13,085
Dues & Subscriptions		3,039
Education		710
Advertising & Donations		1,594
Office Expense		1,062
Postage		815
Utilities		907
Payroll Taxes		4,780
Bank Charges & Filing Fees		120
Personal Property Tax		33
Telephone		2,363
Insurance		2,043
Sales Meetings & Travel		3,056
Depreciation		<u>4,313</u>
	Total Operations Expense	\$ 672,613
Operating Income		1,197
Other Income <Expense>		
Other Expense		\$ <872>
Provision for Security Lower Cost/Market		<10,717>
Net Income/<Loss> Before Income Tax		<u>\$ &lt;10,392&gt;</u>
Income Tax		343
Net Income/<Loss>		<u>\$ &lt;10,735&gt;</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements.

PAVEK INVESTMENTS, INC.  
 STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
 FOR THE YEAR ENDED AUGUST 31, 2001

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>
Balances as of September 1, 2001	\$ 5,000	\$ 31,100	\$ 58,172
Net Profit <Loss>			<10,735>
Balances at August 31, 2001	<u>\$ 5,000</u>	<u>\$ 31,100</u>	<u>\$ 47,437</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements.

PAVEK INVESTMENTS, INC.  
STATEMENT OF CASH FLOWS

YEAR ENDED AUGUST 31, 2001

Operating Activities

Net Loss	\$ <10,735>
Decrease in Accounts Receivable	43,160
Increase in Accounts Payable	206
Decrease in Commissions Payable	<34,778>
Increase in Deposits — Clearing Agency	<259>
Decrease in Accrued Income Tax	<9,250>
Decrease in Payroll Taxes payable	<7,013>
Increase in Prepaid Taxes	<4,075>
Decrease in Accrued Payroll	<10,000>
Decrease in Receivables Clearance Account	690
Depreciation	4,313

Net cash provided by Operating Activities \$ <27,741>

Investing Activities

Decrease in Marketable Securities	\$ 10,189
Decrease in Notes Receivable — Officers	13,800
Fixed Asset Purchase	<23,523>

Net cash used in Investing Activities \$ 466

Financing Activities

0

Decrease in Cash \$ <27,275>

Cash — Beginning of Year 61,495

Cash — End of Year \$ 34,220

The Accompanying Notes Are An Integral Part Of These Financial Statements.

PAVEK INVESTMENTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2001

1. Significant Accounting Policies Business Activity:

The company is engaged primarily in selling of securities for a commission. The company does not buy or sell investments for its clients and acts only as a salesman for the investment companies.

2. Capital Stock:

The authorized, issued and outstanding shares of capital stock at August 31, 2001 were as follows:

Common Stock, no par value; authorized 2,800 shares; issued 1,000 shares.

3. Net Capital Requirement:

The company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule cm3-3), which requires the maintenance of minimum net capital. At August 31, 2001, the company had net capital of \$35,107, which was \$28,107 in excess of its required net capital of 5,000.

4. Income Taxes:

The federal income tax liability for the year ended August 31, 2001 was \$218. The Wisconsin income tax liability for the year was \$125.

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER** Pavek Investments, Inc. as of 8/31/2001

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition.....	\$	83,537	3480
2. Deduct ownership equity not allowable for Net Capital.....			3490
3. Total ownership equity qualified for Net Capital.....		83,537	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			3520
B. Other (deductions) or allowable credits (List).....			3525
5. Total capital and allowable subordinated liabilities.....	\$	83,537	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$		48,294	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....			3600
D. Other deductions and/or charges.....		3610	3620
7. Other additions and/or allowable credits (List).....			3630
8. Net capital before haircut on securities positions.....	\$	35,243	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments.....	\$		3660
B. Subordinated securities borrowings.....			3670
C. Trading and investment securities:			
1. Exempted securities.....			3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....		2,136	3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
10. Net Capital.....	\$	33,107	3750

OMIT PENNIE:

- 1) There are no material differences between this audited report and the corresponding Unaudited Part IIA filed by the company; therefore, no reconciliation is included in this report.
- 2) There were no material inadequacies found to exist since the date of the last audit.

<u>Line 6A -- Non-Allowable Assets/Fixed Assets</u>	\$ 19,210
Deposit at Clearing Firm	6,131
Receivables - Net of Related Payables	92
Other Assets	1,615
NASD Deposit Account	140
Receivables from Officers	10,874
NASD Stock Subscription	3,300
Prepaid Income Taxes	6,932
Fixed Assets	19,210
TOTAL	\$ 48,294

<sup>3/78</sup>  
Line 9C4 -- Haircuts other Securities  
\$14,239    x    15%            \$ 2,136

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER

Pavek Investments, Inc.

as of 8/31/2001

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

## Part A

11. Minimum net capital required (6-2/3% of line 19) .....	\$	1,107	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	5,000	3760
14. Excess net capital (line 10 less 13) .....	\$	28,107	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	31,446	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.L. liabilities from Statement of Financial Condition .....	\$	16,607	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3610	
C. Other unrecorded amounts (List) .....	\$	3820	3830
19. Total aggregate indebtedness .....	\$	16,607	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....	%	50.2	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) .....	%		3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

## Part B

Not Applicable

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
24. Net capital requirement (greater of line 22 or 23) .....	\$		3760
25. Excess net capital (line 10 less 24) .....	\$		3910
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000 .....	\$		3920

OMIT PENNIES

## NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.**

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
Y 4600		4601	4602	4603	4604	4605
Y 4610		4611	4612	4613	4614	4615
Y 4620		4621	4622	4623	4624	4625
Y 4630		4631	4632	4633	4634	4635
Y 4640		4641	4642	4643	4644	4645
Y 4650		4651	4652	4653	4654	4655
Y 4660		4661	4662	4663	4664	4665
Y 4670		4671	4672	4673	4674	4675
Y 4680		4681	4682	4683	4684	4685
Y 4690		4691	4692	4693	4694	4695
TOTAL \$			0	4699		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE:      DESCRIPTION
1.            Equity Capital
  2.            Subordinated Liabilities
  3.            Accruals
  4.            15c3-1(c)(2)(iv) Liabilities

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

8/31/2001

BROKER OR DEALER

Pavek Investments, Inc

as of \_\_\_\_\_

Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 ..... 4550
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k) (2)(B)—All customer transactions cleared through another Fiserv 8-44205 broker-dealer on a fully disclosed basis. Name of clearing firm: Dain Rayscher Incorporated -8-45411 4335
- D. (k) (3)—Exempted by order of the Commission ..... X 4570  
4580