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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**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

OMB APPROVAL
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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: COMO Securities, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

60 State Street, Suite 3750

(No. and Street)

Boston

(City)

MA

(State)

02109

(Zip Code)

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

William O'Connell

617-742-3800

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Romito, Tomasetti & Associates, P.C.

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

600 West Cummings Park

(Address)

Woburn

(City)

MA

(State)

01801

(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).

SEC 1410 (3-91)

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.

OATH OR AFFIRMATION

I, John A. Frabotta, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of COMO 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:

John A. Frabotta
Signature

Vice President

Title

[Signature]
Notary Public

expires 09/20/02

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.
- X (o) Independent Auditor's Report on Internal Accounting Control

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

* Not Applicable, See Schedule II

COMO Securities, Inc.

Financial Statements

December 31, 2001 and 2000

RTA

Romito, Tomasetti & Associates, P.C.
Woburn, Massachusetts

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ROMITO, TOMASETTI & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
600 WEST CUMMINGS PARK, SUITE 4050
WOBURN, MASSACHUSETTS 01801-6350
PHONE (781) 938-5600 FAX (781) 938-6125

Independent Auditor's Report

To the Board of Directors and Stockholders
COMO Securities, Inc.:

We have audited the accompanying statements of financial condition of COMO Securities, Inc. as of December 31, 2001 and 2000, and the related statements of income, changes in stockholders' equity and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities and 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 audits.

We conducted our audits 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 audits provide 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 COMO Securities, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Romito, Tomasetti & Associates, P.C.

January 18, 2002

COMO Securities, Inc.
Statements of Financial Condition
December 31, 2001 and 2000

Assets

	<u>2001</u>	<u>2000</u>
Current assets:		
Cash	\$ 63,931	22,125
Accounts receivable - commissions	9,920	-
Advances to affiliate	95,825	-
Prepaid expenses	1,908	1,505
Total current assets	<u>171,584</u>	<u>23,630</u>
	<u>\$ 171,584</u>	<u>23,630</u>

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable	\$ 3,189	281
Advances from affiliate	-	10,389
Total current liabilities	<u>3,189</u>	<u>10,670</u>
Stockholders' equity:		
Common stock, \$.50 par value; 15,000 shares authorized; 100 shares issued; 57.10 shares outstanding as of December 31, 2001 and 67.5 shares outstanding as of December 31, 2000	50	50
Additional paid-in-capital	128,950	128,950
Retained earnings (deficit)	48,206	(109,226)
Treasury stock at cost - 42.90 shares as of December 31, 2001 and 32.50 shares as of December 31, 2000	(8,811)	(6,814)
Total stockholders' equity	<u>168,395</u>	<u>12,960</u>
Commitments (Notes 3 and 4)		
	<u>\$ 171,584</u>	<u>23,630</u>

See accompanying notes to financial statements.

COMO Securities, Inc.

Statements of Income

For the Years Ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Revenue - placement and consulting fees	\$ 200,000	-
Revenue - commissions	<u>9,920</u>	<u>-</u>
Total revenues	<u>209,920</u>	<u>-</u>
General and administrative expenses:		
Accounting and tax services	4,020	4,087
Bank charges	53	4
Employee benefits	767	130
Insurance bond	377	393
Legal fees	5,644	-
Outside services	20,000	-
Payroll	15,176	786
Payroll taxes	1,997	84
Registration and filing fees	3,597	1,825
Research subscription fees	<u>401</u>	<u>-</u>
Total general and administrative expenses	<u>52,032</u>	<u>7,309</u>
Net income (loss) from operations	<u>157,888</u>	<u>(7,309)</u>
Provision for state income taxes (Note 2)	456	456
Net income (loss)	<u>\$ 157,432</u>	<u>(7,765)</u>

See accompanying notes to financial statements.

COMO Securities, Inc.

Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2001 and 2000

	Issued Shares of Common Stock \$.50 Par	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Treasury Stock	Total
Balance, January 1, 2000	100	\$ 50	118,950	(101,461)	(588)	16,951
Capital contributions	-	-	10,000	-	-	10,000
Purchased 30 shares held in treasury	-	-	-	-	(6,226)	(6,226)
Net loss	-	-	-	(7,765)	-	(7,765)
Balance, December 31, 2000	<u>100</u>	<u>50</u>	<u>128,950</u>	<u>(109,226)</u>	<u>(6,814)</u>	<u>12,960</u>
Purchased 27.5 shares held in treasury	-	-	-	-	(5,280)	(5,280)
Sale of 17.1 shares held in treasury	-	-	-	-	3,283	3,283
Net income	-	-	-	157,432	-	157,432
Balance, December 31, 2001	<u>100</u>	<u>\$ 50</u>	<u>128,950</u>	<u>48,206</u>	<u>(8,811)</u>	<u>168,395</u>

See accompanying notes to financial statements.

COMO Securities, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Increase (decrease) in cash:		
Cash flows from operating activities:		
Cash received from customers	\$ 200,000	-
Cash paid to vendors and affiliates	(46,316)	(7,156)
Income taxes paid	(456)	(456)
Net cash provided (used) by operating activities	<u>153,228</u>	<u>(7,612)</u>
Cash flows from financing activities:		
Advances from (to) affiliates, net	(109,425)	13,833
Sale (purchase) of treasury stock, net	(1,997)	(6,226)
Proceeds from capital contributions	-	10,000
Net cash provided (used) by financing activities	<u>(111,422)</u>	<u>17,607</u>
Net increase in cash	<u>41,806</u>	<u>9,995</u>
Cash, beginning of year	22,125	12,130
Cash, end of year	\$ <u>63,931</u>	<u>22,125</u>
Reconciliation of net income (loss) to net cash provided (used) by operating activities:		
Net income (loss)	\$ 157,432	(7,765)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable - commissions	(9,920)	-
Advances to affiliate	3,211	1,000
Prepaid expenses	(403)	(82)
Increase (decrease) in:		
Accounts payable	<u>2,908</u>	<u>(765)</u>
Total adjustments	<u>(4,204)</u>	<u>153</u>
Net cash provided (used) by operating activities	\$ <u>153,228</u>	<u>(7,612)</u>
Supplemental schedule of noncash financing activities:		
Allocated overhead expenses from affiliate applied to advances to affiliate	\$ <u>3,211</u>	<u>1,000</u>

See accompanying notes to financial statements.

COMO Securities, Inc.
Notes to Financial Statements
December 31, 2001 and 2000

(1) Organization

The Company was incorporated on December 14, 1988, pursuant to the laws of the Commonwealth of Massachusetts, to engage in the business of a broker and/or dealer in securities. The Company is registered as a broker/dealer with the Securities and Exchange Commission and the National Association of Securities Dealers.

(2) Summary of Significant Accounting Policies

(a) Method of Accounting

The financial statements have been prepared in accordance with the accrual basis method of accounting. Under this method of accounting, revenues and expenses are identified with specific periods of time and are recorded as earned or incurred without regard to the date of receipt or payment of cash.

(b) Federal and State Income Taxes

The Company has elected to be treated as a "small business corporation" for income tax purposes pursuant to Section 1372(a) of the Internal Revenue Code. Accordingly, since the net earnings or loss of the Company will be reported by and taxed directly to the stockholders, no provision for Federal income taxes has been reflected in the accompanying financial statements.

The provision for state income taxes represents a tax on the net worth of the Company, subject to a \$456 minimum tax.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

(3) Related Party Transactions

The Company is affiliated with several other companies through common stockholder control and is under common management. The Company shares office space and equipment, and utilizes professional and administrative services provided by one such affiliated Company. During each of the years ending December 31, 2001 and 2000, the Company was charged \$3,211 and \$1,000 for these services and expenses.

COMO Securities, Inc.

Notes to Financial Statements (Continued)

(4) **Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires (a) the maintenance of minimum net capital, and (b) that the ratio of aggregate indebtedness to net capital may not exceed 15 to 1, as defined. Net capital is subject to an overall minimum of \$5,000. At December 31, 2001 and 2000, the Company had net capital of \$71,063 and \$11,455 and aggregate indebtedness ratios of .05 to 1 and .93 to 1, all of which are in compliance with minimum standards.

(5) **Financial Instruments**

The fair values of the Company's financial instruments all approximate their carrying values.

(6) **Accounts Receivable**

Accounts receivable are stated at face amount and considered to be fully collectible. Accordingly, no allowance for doubtful accounts has been reflected in the financial statements.

(7) **Reclassifications**

Certain amounts in the year 2000 financial statements have been reclassified to conform with the 2001 presentation.

(8) **Tax Components of Retained Earnings**

	<u>2001</u>	<u>2000</u>
Accumulated adjustments account:		
Balance, beginning of year	\$(106,415)	(97,803)
Ordinary income (loss)	<u>150,017</u>	<u>(8,612)</u>
Balance, end of year	<u>43,602</u>	<u>(106,415)</u>
Tax timing differences:		
Accounts receivable	9,920	-
Prepaid expenses	1,908	1,505
Accounts payable	<u>(3,189)</u>	<u>(281)</u>
Total tax timing differences	<u>8,639</u>	<u>1,224</u>
Other reconciling items:		
Prior C-Corp deficit	(4,035)	(4,035)
Total retained earnings (deficit)	<u>\$ 48,206</u>	<u>(109,226)</u>

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Independent Auditor's Report on Supplementary Information
Required by Rule 17a-5 of the Securities and Exchange Commission

To the Board of Directors and Stockholders
COMO Securities, Inc.:

We have audited the accompanying financial statements of COMO Securities, Inc. for the year ended December 31, 2001 and have issued our report thereon dated January 18, 2002. 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 on the following pages 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our 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.

Romito, Tomasetti & Associates, P.C.

January 18, 2002

COMO Securities, Inc.

Computation of Net Capital Under Rule 15c3-1 of the Securities Exchange Act of 1934

December 31, 2001

	<u>Schedule I</u>
Computation of net capital:	
Stockholders' equity	\$ 168,395
Deduct nonallowable assets:	
Accounts receivable - commissions	9,920
Advances to affiliate [Rule 15c3-1(c)(2)(iv)(B)]	95,825
Prepaid expenses	1,908
Net capital	<u>\$ 60,742</u>
Computation of aggregate indebtedness:	
Total current liabilities	\$ 3,189
Aggregate indebtedness	<u>\$ 3,189</u>
Computation of basic net capital requirement:	
Minimum net capital required - 6-2/3% of aggregate indebtedness or \$5,000 (whichever is larger), pursuant to Rule 15c3-1(a)(2)	\$ 5,000
Net capital in excess of requirement	55,742
Net capital	<u>\$ 60,742</u>
Ratio of aggregate indebtedness to net capital	<u>.05</u>
Reconciliation with Company's computation (included in Part IIA of Form X-17A-5 as of December 31, 2001):	
Net capital as reported in Company's Part IIA (unaudited)	
FOCUS Report	\$ 55,769
Net audit adjustments	4,973
Net capital	<u>\$ 60,742</u>

See accompanying notes to financial statements.

COMO Securities, Inc.

Computation for Determination of Reserve Requirements for
Broker-Dealer Under Rule 15c3-3 of the Securities Exchange Act of 1934

December 31, 2001

Schedule II

COMO Securities, Inc. is exempt from the reserve requirements of Rule 15c3-3, as its transactions are limited to acting as placement agent generally for private offerings of debt and equity securities to institutional or other accredited investors generally on a "best efforts" basis and as a nonclearing broker/dealer, fully disclosed. The Company does not carry customers' accounts on its books and therefore, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirements pursuant to Rule 15c3-3 are not applicable.

See accompanying notes to financial statements.

Independent Auditor's Report on Internal Control Structure Required by
Rule 17a-5 of the Securities and Exchange Commission

To the Board of Directors and Stockholders
COMO Securities, Inc.:

In planning and performing our audit of the financial statements and supplemental schedules of COMO Securities, Inc. (the Company) for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal 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 controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of an internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility 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 preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Independent Auditor's Report on Internal Control Structure Required by
Rule 17a-5 of the Securities and Exchange Commission (Continued)

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control including, control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC 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 at December 31, 2001, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than those specified parties.

Romito, Tomarelli & Associates, P.C.

