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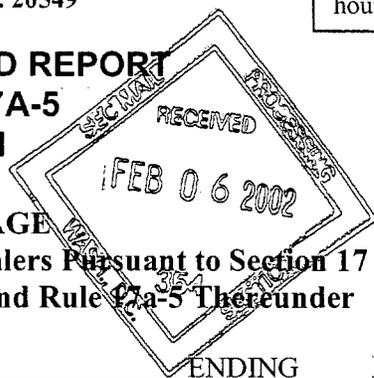
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-52812



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 January 1, 2001 ENDING December 31, 2001

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER

Allen Global Securities LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

298 Greenwich Avenue

Greenwich (City) (No. and Street) CT (State) 06830 (Zip Code)

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

Neil Allen 203-618-1722 (Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Lilling & Company, LLP

(Name - If Individual, State Last, First, Middle Name)

10 Cutter Mill Road (Address) Great Neck (City) NY (State) 11021 (Zip Code)

PROCESSED  
FEB 13 2002  
THOMSON  
FINANCIAL  
11021

CHECK ONE

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

FOR OFFICIAL USE ONLY

\* 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 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, Neil Allen swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of

Allen Global 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature

CEO

\_\_\_\_\_  
Title

\_\_\_\_\_  
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 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.
- (o) A report on internal control.

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

**ALLEN GLOBAL SECURITIES LLC**  
***REPORT ON AUDIT OF FINANCIAL STATEMENTS***  
***AND SUPPLEMENTAL INFORMATION***  
***REPORT ON INTERNAL CONTROL***  
***DECEMBER 31, 2001***

# Lilling & Company LLP

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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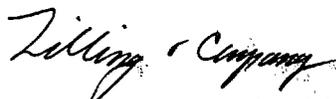
To the Members  
Allen Global Securities LLC  
Greenwich, Connecticut

We have audited the accompanying statement of financial condition of Allen Global Securities LLC as of December 31, 2001 and the related statements of operations, changes in members' 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. 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 Allen Global Securities LLC 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.

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 1 and 2 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 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.



**CERTIFIED PUBLIC ACCOUNTANTS**

January 16, 2002

**ALLEN GLOBAL SECURITIES LLC**

***STATEMENT OF FINANCIAL CONDITION***  
***DECEMBER 31, 2001***

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***ASSETS***

Cash	<u>\$ 8,460</u>
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***MEMBERS' EQUITY***

Members' equity	<u>\$ 8,460</u>
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*See notes to financial statements*

ALLEN GLOBAL SECURITIES LLC

*STATEMENT OF OPERATIONS*  
*YEAR ENDED DECEMBER 31, 2001*

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*REVENUES*

Trading	\$ 35,141
Interest income	<u>1,015</u>
	36,156

*EXPENSES*

Operating expenses	<u>90</u>
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*NET INCOME*

\$ 36,066

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*See notes to financial statements*

ALLEN GLOBAL SECURITIES LLC

*STATEMENT OF CASH FLOWS*  
*YEAR ENDED DECEMBER 31, 2001*

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*Cash flows from operating activities*

Net Income \$ 36,066

*Cash flow from financing activities*

Capital contributions 100

Capital withdrawals (77,834)

*Net cash used by financing activities* (77,734)

*NET DECREASE IN CASH* (41,668)

*CASH - BEGINNING* 50,128

*CASH - END* \$ 8,460

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Income Tax \$ -

Interest \$ -

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*See notes to financial statements*

ALLEN GLOBAL SECURITIES LLC

*STATEMENT OF CHANGES IN MEMBERS' EQUITY*  
*YEAR ENDED DECEMBER 31, 2001*

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<i>Balance - beginning</i>	\$ 50,128
Capital contributions	100
Capital withdrawals	(77,834)
Net Income	<u>36,066</u>
<i>Balance - end</i>	<u><u>\$ 8,460</u></u>

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*See notes to financial statements*

# ALLEN GLOBAL SECURITIES LLC

## *NOTES TO FINANCIAL STATEMENTS* *DECEMBER 31, 2001*

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### 1. SIGNIFICANT ACCOUNTING POLICIES

#### **Organization**

Allen Global Securities LLC (the "Company") is a registered broker-dealer. The Company is a non-clearing broker and does not handle any customer funds or securities. The Company is wholly-owned by Allen Global Holdings LLC. There were no liabilities subordinated to claims of general creditors during the year ended December 31, 2001.

#### **Commissions**

Commissions and related clearing expenses are recorded on a trade date basis as securities transactions occur.

#### **Income Taxes**

The Company is a limited liability company ("LLC") and is recognized as a partnership for income tax purposes. An LLC generally pays no income taxes and passes through substantially all taxable events to the members of the Company.

#### **Use of Estimates in the Preparation of Financial Statements**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that management uses.

### 2. RELATED PARTY TRANSACTIONS

The Company has an expense and rent agreement with its parent whereby the parent company will provide office space and facilities rent free and will also pay substantially all expenses of the Company during the year ended December 31, 2001.

### 3. NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1.) At December 31, 2001, the Company had net capital of \$8,460, which was \$3,460 in excess of its required net capital of \$5,000. There was no aggregate indebtedness as of December 31, 2001.

**Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934**

**As of December 31, 2001**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c-3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION****DECEMBER 31, 2001**

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**NET CAPITAL**Members' equity and Net Capital \$ 8,460**AGGREGATE INDEBTEDNESS** \$ -**MINIMUM NET CAPITAL REQUIRED** \$ 5,000**EXCESS OF NET CAPITAL OVER MINIMUM REQUIREMENTS** \$ 3,460**PERCENTAGE OF AGGREGATE INDEBTEDNESS  
TO NET CAPITAL** **0.00%****Note:**

There were no material differences between the computation of net capital calculated above and the Company's computation included in Part IIA of Form X-17a-5 as of December 31, 2001.

ALLEN GLOBAL SECURITIES LLC

*COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3  
DECEMBER 31, 2001*

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The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

# Lilling & Company LLP

Certified Public Accountants

***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED  
BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION  
FROM SEC RULE 15c3-3***

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To the Members  
Allen Global Securities LLC  
Greenwich, Connecticut

In planning and performing our audit of the financial statements and supplemental schedules of Allen Global Securities LLC (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 internal control.

Also, as required by rule 17a-5(g)(1) of the Securities 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 (or aggregate debits) 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 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 the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error 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 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 the 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 the following matter involving the control environment and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of Allen Global Securities LLC for the year ended December 31, 2001, and this report does not affect our report thereon dated January 16, 2002.

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those internal control procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

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 NASD, 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 these specified parties.

*Zilling & Company*

**CERTIFIED PUBLIC ACCOUNTANTS**

*January 16, 2002*