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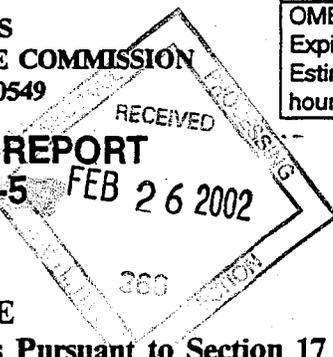
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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



SEC FILE NUMBER
8- 50628

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 AND ENDING DECEMBER 31, 2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

GOVDESK LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

119 TORRANCE BLVD., SUITE 3

(No. and Street)

REDONDO BEACH

CALIFORNIA

90277

(City)

(State)

(Zip Code)

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

JAMES H. WILLIAMS

(415) 461-3156

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CLARIDAD & CROWE

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

101 LARKSPUR LANDING CIRCLE, SUITE 311

LARKSPUR

CALIFORNIA

94939

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

PROCESSED

MAR 12 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).

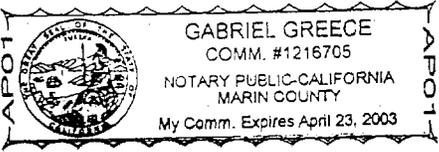
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OATH OR AFFIRMATION

I, JAMES H. WILLIAMS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GOVDESK LLC, as of DECEMBER 31, 2001, 19_____, 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:

[Handwritten Signature]
Signature
FINANCIAL PRINCIPAL
Title

[Handwritten Signature]
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 or errors found to have existed since the date of the previous audit.~~
Independent auditors' supplemental report on internal accounting control.

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

GOVDESK LLC

REPORT ON AUDIT OF FINANCIAL STATEMENTS

For The Year Ended December 31, 2001

CLARIDAD & CROWE

Certified Public Accountants

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CLARIDAD & CROWE

**Certified Public Accountants
A Partnership of Professional Corporations**

101 Larkspur Landing Circle, Suite 311, Larkspur, CA 94939
Telephone (415) 464-8999
Facsimile (415) 464-9009

INDEPENDENT AUDITORS' REPORT

To the Members
Govdesk LLC
Redondo Beach, California

We have audited the statement of financial condition of Govdesk LLC as of December 31, 2001, and the related statements of operations, changes in members' equity, and cash flows for the year then ended. 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 U.S. generally accepted auditing standards. 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 reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Govdesk LLC, as of December 31, 2001, and the results of its operations and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 11 through 13 is presented for purposes of additional analysis and is not part of the basic financial statements. The additional information is required by Rule 17a-5 of the Securities Exchange Commission. 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 aspects in relation to the basic financial statements taken as a whole, and in conformity with the rules of the Securities and Exchange Commission.


CERTIFIED PUBLIC ACCOUNTANTS

January 25, 2002

GOVDESK LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2001

ASSETS

Cash and cash equivalents	\$ 319,817
Due from clearing broker	52,175
Advance to affiliate	33,355
Employee advance	3,000
Investment in limited partnership	250,000
Furniture and equipment, net of accumulated depreciation of \$ 4,300	<u>10,767</u>
	<u>\$ 669,114</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities

Accounts payable	\$ 6,812
State taxes payable	<u>6,000</u>
Total liabilities	12,812
Members' equity	<u>656,302</u>
	<u>\$ 669,114</u>

See notes to financial statements.

GOVDESK LLC

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2001

REVENUES

Commissions income	\$ 1,296,869
Interest	<u>10,579</u>
	1,307,448

EXPENSES

Compensation	75,229
Management fees	439,220
Research fees	117,477
Professional fees	17,899
Regulatory fees	1,701
Depreciation	1,600
Other operating expenses	<u>270,027</u>
	<u>923,153</u>

INCOME BEFORE INCOME TAXES 384,295

INCOME TAXES 6,800

NET INCOME \$ 377,495

See notes to financial statements.

GOVDESK LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended December 31, 2001

Balance, December 31, 2000	\$ 528,807
Net income	377,495
Distributions	<u>(250,000)</u>
Balance, December 31, 2001	<u>\$ 656,302</u>

See notes to financial statements.

GOVDESK LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 377,495
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	1,600
Change in assets and liabilities:	
(Increase) decrease in:	
Due from clearing broker	(52,175)
Advance to member	216,645
Employee advance	(3,000)
(Decrease) increase in:	
Accounts payable	4,419
Income taxes payable	<u>(251)</u>
Net adjustments	<u>167,238</u>
Net cash provided by operating activities	<u>544,733</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash payments for purchase of equipment	<u>(7,903)</u>
Net cash used by investing activities	<u>(7,903)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Distributions paid	<u>(250,000)</u>
Net cash used by financing activities	<u>(250,000)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 286,830

CASH AND CASH EQUIVALENTS, December 31, 2000 32,987

CASH AND CASH EQUIVALENTS, December 31, 2001 \$ 319,817

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:	Income taxes	\$ 7,051
	Interest	\$ 0

See notes to financial statements.

GOVDESK LLC

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2001

NOTE A – Summary of Significant Accounting Policies

Organizational Structure and Business Activity

Govdesk LLC (the Company) was formed as a Limited Liability Company in California in January, 1998, with a termination date of September 30, 2047. Under this form of organization, the members are not liable for the debts of the Company.

The Company registered as a broker-dealer with the Securities and Exchange Commission in August, 1998, and is a member of the National Association of Securities Dealers. The Company engages in the brokerage of securities.

Accounting

These financial statements are prepared using the accrual method of accounting.

Statement of Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Estimates

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

Furniture and Equipment

Equipment purchases greater than \$ 500 are recorded at cost. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life (5 to 7 years) of the asset.

Revenue Recognition

Commissions are related to securities transactions and are recorded on a trade date basis.

Income Taxes

No provision or liability for federal or state income taxes has been made in the financial statements since the Company's income and losses are reported on the individual members' tax returns. The provision is for the annual state limited liability minimum tax and annual fee.

GOVDESK LLC

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2001

NOTE A – Summary of Significant Accounting Policies (Continued)

Investment in Limited Partnership

The Company's investment in limited partnership is accounted for on the cost basis.

Regulatory Requirements

The Company is exempt from the requirements of Rule 15c3-3 pursuant to the rules for broker-dealers who clear all customer transactions through another broker-dealer on a fully disclosed basis.

NOTE B – Concentrations of Credit Risk

The Company's receivables are predominantly from an affiliated company as described in Note C following.

NOTE C – Related Parties

Research and Management Fees

The Company is affiliated with Seagate Research LLC (Seagate Research) and Seagate Global Advisors LLC. The members of the Company are also members of Seagate Research LLC and Seagate Global Advisors LLC. Seagate Research charges the Company fees for research and management services provided to the Company. For the year ended December 31, 2001, research fees of \$ 117,477 and management fees of \$ 439,220, were paid to Seagate Research. These amounts are included in research and management fees, respectively, in the statement of operations. Seagate Global Advisors LLC charged the Company office rent totaling \$27,346 for the year ended December 31, 2001, which is included in other operating expenses in the statement of operations.

Clearing Broker Transactions

Tradition Asiel Securities, Inc. (Tradition), a broker-dealer, a member of the Company, serves as the Company's clearing broker, where all customer transactions are cleared on a fully disclosed basis. For the year ended December 31, 2001, no clearing fees were paid to Tradition.

Investment in Limited Partnership

The Company purchased a 1% limited partnership interest in Seamax Partners Fund, L.P. during 2000 for \$250,000. The general partner and investment advisor of Seamax Partners Fund, L. P. is Seagate Global Advisors, LLC, another affiliate of the Company.

GOVDESK LLC

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2001

NOTE D – Lease Commitments

Operating Leases

Aggregate annual rentals for a company automobile under a noncancellable operating lease with an original term in excess of one year are as follows:

2002	\$ 9,500
2003	9,500
2004	9,500
2005	<u>4,800</u>
	<u>\$ 33,500</u>

In addition, the Company subleases office space from its affiliate, Seagate Global Advisors LLC, on a month-to-month basis for approximately \$2,300 per month. Rent expense for the year ended December 31, 2001 of \$ 27,346, is included in other operating expenses in the statement of operations.

NOTE E – Retirement Plan

The Company sponsors a 401(k) Plan so that employees may contribute a portion of their pretax income into a retirement fund. Matching employer contributions to the plan are discretionary. For the year ended December 31, 2001, the Company did not contribute to the 401(k) Plan to supplement employee contributions.

NOTE F – Net Capital Requirements

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. As of December 31, 2001, the Company's net capital is \$ 353,467, which is \$ 348,467, in excess of the minimum amounts required. The Company's ratio of aggregate indebtedness to net capital at December 31, 2001 was .04 to 1.0.

The rule provides that equity capital may not be withdrawn, subordinated debt may not be repaid and cash dividends may not be paid if the resulting net capital would be less than the amounts required under the rule.

ADDITIONAL INFORMATION

GOVDESK LLC

COMPUTATION OF NET CAPITAL

December 31, 2001

NET CAPITAL	
Members' equity	\$ 656,302
Less nonallowable assets:	
Advance to affiliate	(33,355)
Employee advance	(3,000)
Investment in partnership	(250,000)
Furniture and equipment, net	<u>(10,767)</u>
NET CAPITAL BEFORE HAIRCUTS	359,180
HAIRCUTS ON SECURITIES	<u>(5,713)</u>
NET CAPITAL	<u>\$ 353,467</u>
AGGREGATE INDEBTEDNESS	
Items included in statement of financial condition	
Accounts payable	\$ 6,812
State taxes payable	<u>6,000</u>
	<u>\$ 12,812</u>
COMPUTATION OF BASIS NET CAPITAL REQUIREMENTS	
Minimum net capital requirement	
(6-2/3 % of aggregate indebtedness)	<u>\$ 5,000</u>
Net capital in excess of minimum requirement	<u>\$ 348,467</u>
Ratio of aggregate indebtedness to net capital	<u>.04 to 1</u>
RECONCILIATION WITH COMPANY'S COMPUTATION	
(Included in Part II of Form X-17A-5 as of December 31)	
Net capital, as reported in Company's	
Part II (unaudited) FOCUS report	\$ 366,278
Audit adjustments:	
Accounts payable	(6,812)
State taxes payable	(6,000)
Rounding	<u>1</u>
Net capital as reported herein	<u>\$ 353,467</u>
Aggregate indebtedness as reported in Company's	
Part II (unaudited) FOCUS report	\$ 0
Audit adjustments to:	
Accounts payable	6,812
State income taxes payable	<u>6,000</u>
Aggregate indebtedness, as reported herein	<u>\$ 12,812</u>

These differences result in a ratio of aggregate indebtedness to net capital of .04 to 1.0 rather than 0 to 1.0 as previously reported.

CLARIDAD & CROWE

Certified Public Accountants
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101 Larkspur Landing Circle, Suite 311, Larkspur, CA 94939
Telephone (415) 464-8999
Facsimile (415) 464-9009

January 25, 2002

To the Members
Govdesk LLC
Redondo Beach, California

We have audited the financial statements of Govdesk LLC for the year ended December 31, 2001, and have issued our report thereon dated January 25, 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 U.S. 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 to express 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 Govdesk LLC, 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-5(g)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. Since the Company does not maintain customer accounts and does not handle securities, we have not made a study of the practices and procedures (including tests of compliance with such practices and procedures) relevant to the objectives stated in rule 17a-5(g) for (1) making the quarterly securities examinations, counts verifications and comparisons, and the recordation of differences required by Rule 17a-13; (2) 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; and (3) obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 judgements by management are required to assess the expected benefits and related costs of control procedures and of the practices and procedures as 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 and the practices and procedures 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

To the Members
Govdesk LLC
January 25, 2002
Page Two

management's authorization and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any system of internal accounting control of the practices and procedures referred to above, errors or irregularities may nevertheless occur and not be detected. Also, projections 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 procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Govdesk LLC, taken as a whole. Our study and evaluation disclosed no condition that we believed to be of material weakness.

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 at December 31, 2001, to meet the Commission's objectives and nothing came to our attention that would indicate the Company had not complied with the condition of its exception under rule 15c3-3 during the year then ended.

This report is intended solely for the use of management and the Securities and Exchange Commission and other regulatory agencies pursuant to their requirements and should not be used for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS