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SECURITIES AND COMMISSION  
Washington, D.C. 20549

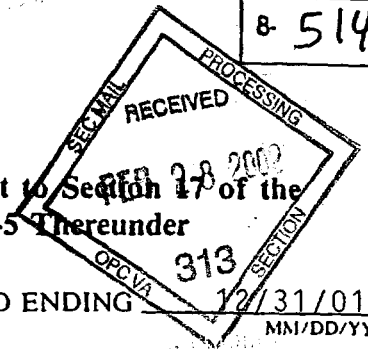
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

**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 01/01/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

CAMBRIDGE SECURITIES, INC.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

1223 TURNER STREET, SUITE 333

(No. and Street)

LANSING

MI

48906

(City)

(State)

(Zip Code)

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

STEVEN SHUPTAR

517-487-3780

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

AMBROSE, DAVID

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

836 CENTENNIAL WAY

LANSING

MI

48917

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

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

PROCESSED

MAY 24 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)

Handwritten initials/signature

OATH OR AFFIRMATION

I, STEVE SHUPTAR, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CAMBRIDGE SECURITIES, INC., as of DECEMBER 31, 192001, 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:

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

*Steve R Shuptar*

Signature

STEVEN SHUPTAR, MANAGER

Title

*Annette Bates Layton*

ANNETTE BATES LAYTON

Notary Public, Eaton County, MI

My Commission Expires Aug. 17, 2002

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.
- (o) Independent auditor's supplementary report on internal control.

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

**CAMBRIDGE SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2001**

**ASSETS**

<b>CURRENT ASSETS</b>		
Cash on hand and deposit	\$	61,446
Prepaid expense		1,237
<b>FIXED ASSETS</b>		
Office equipment	\$	36,085
Less: accumulated depreciation		<u>25,384</u>
		<u>10,701</u>
		<u>\$ 73,384</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$	4,962
Accrued single business tax		3,469
Accrued city income tax		<u>159</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,590</b>
<b>STOCKHOLDER'S EQUITY</b>		
Common stock – 60,000 shares authorized, 150 shares issued	\$	150
Additional paid in capital		27,875
Retained earnings		<u>36,769</u>
<b>TOTAL STOCKHOLDER'S EQUITY</b>		<u><b>64,794</b></u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<u><b>\$ 73,384</b></u>

See accompanying notes to financial statements.