



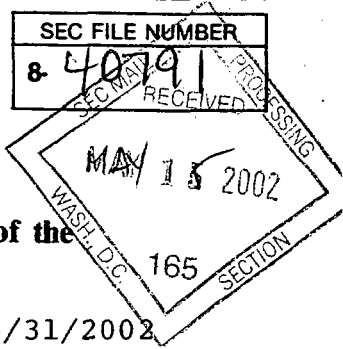
02006340

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00

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

SEC FILE NUMBER  
8-40791  
RECEIVED



**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 4/1/2001 AND ENDING 3/31/2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

BrokerWest

OFFICIAL USE ONLY  
FIRM ID. NO.

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

2409 Abbot Kinney Blvd

(No. and Street)

Venice CA 90291

(City)

(State)

(Zip Code)

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

Steven J Duben, CPA

(818) 788-7044

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Duben, Steven J.

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

16055 Ventura Blvd #1212 Encino CA 91436

(Address)

(City)

(State)

CHECK ONE:

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

PROCESSED  
MAY 22 2002  
THOMSON  
FINANCIAL

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 basis for the exemption. See section 240.17a-5(e)(2).

5/20

OATH OR AFFIRMATION

I, Ira Bershatsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BrokerWest, as of March 31, 2002, 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:

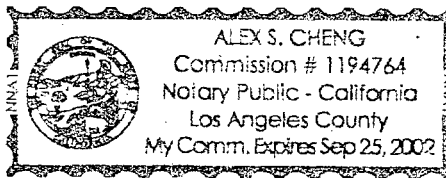
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten Signature]*  
Signature

President

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 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).

**BROKERWEST**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2001 and 2002**

BROKERWEST, INC.  
FINANCIAL STATEMENTS  
TABLE OF CONTENTS

Independent Auditors Report

Report on Internal Control

Comparative Balance Sheet

Statement of Retained Earnings

Statement of Changes in Stockholders' Equity

Comparative Statement of Income

Administrative Expenses

Statement of Cash Flow

Computation of Net Capital

Footnotes



# Duben & Natividad

Your partners  
on the road to success

16055 VENTURA BLVD., SUITE 1212, ENCINO, CA 91436 • (818) 788-7044 • FAX (818) 788-0811

**FAST,  
ACCURATE  
& COST-  
EFFECTIVE**

- *Accounting & budgets*
- *Cash flow management*
- *Payroll tax services*
- *Publishing & royalty accounting*
- *Year-round tax planning*
- *Monthly financial statements*
- *Estate planning*
- *IRS representation*
- *Financing support*
- *Cost reduction*
- *Expense management*
- *Loan package preparation*

**PERSONALIZED  
SERVICE WITH  
YOU IN MIND**

- *Appointments at your convenience*
- *All calls & faxes returned promptly*
- *On-site visits*
- *Competitive fees*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of  
BrokerWest

We have audited the accompanying balance sheet of BROKERWEST as of March 31, 2001 and 2002, and the related statements of income, retained earnings, net capital computation and cash flows for the years 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 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 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 BROKERWEST as of March 31, 2001 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Steven J. Duben  
Certified Public Accountant  
Duben & Natividad, CPAs

Encino, California

April 23, 2002



# Duben & Natividad

Your partners  
on the road to success

16055 VENTURA BLVD., SUITE 1212, ENCINO, CA 91436 • (818) 788-7044 • FAX (818) 788-0811

**FAST,  
ACCURATE  
& COST-  
EFFECTIVE**

- *Accounting & budgets*
- *Cash flow management*
- *Payroll tax services*
- *Publishing & royalty accounting*
- *Year-round tax planning*
- *Monthly financial statements*
- *Estate planning*
- *IRS representation*
- *Financing support*
- *Cost reduction*
- *Expense management*
- *Loan package preparation*

**PERSONALIZED  
SERVICE WITH  
YOU IN MIND**

- *Appointments at your convenience*
- *All calls & faxes returned promptly*
- *On-site visits*
- *Competitive fees*

Ira Bershatsky, President  
BrokerWest  
2409 Abbot Kinney Blvd  
Venice CA 90291

To The Board of Directors,

We have examined the Financial Statements of BrokerWest for the year ended March 31, 2002 and have issued our report thereon dated April 23, 2002. As part of our examination, we made a study and evaluation of the company's system of internal control to the extent we considered necessary for auditing standards. The purpose of our study and evaluation which included obtaining and understanding of the accounting system, was to determine the nature, timing, and the extent of the auditing procedures necessary for expressing an opinion on the Financial Statements.

Also, as required by the rule 17a-5(g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures followed by BrokerWest that we considered relevant to the objectives stated in rule 17a-5(g) (1), in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a) (11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3.

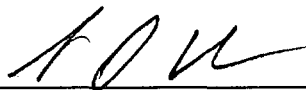
The management of the company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures and of the practices and control procedures 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 for which the company has responsibility are safeguarded against loss from unauthorized use of disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of Financial Statements in accordance with 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 internal accounting control procedures of the practices and procedures referred to above, errors or irregularities may nevertheless 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 degree of compliance with them may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. However, our study and evaluation disclosed no condition that we believed to be a 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 and 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 to March 31, 2002, to meet the commission's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission and the National Association of Securities Dealers, Inc., and should not be used for any other purpose.



---

Steven J. Duben  
Certified Public Accountant  
Duben & Natividad, CPAs

Encino, California

April 23, 2002

BROKERWEST  
 COMPARATIVE BALANCE SHEET  
 MARCH 31, 2001 AND 2002

	<u>2001</u>	<u>2002</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 10,006	\$ 8,729
Prepaid Expenses - Note 3	<u>1,502</u>	<u>---</u>
Total Current Assets	<u>11,508</u>	<u>8,729</u>
 PROPERTY AND EQUIPMENT - Note 1		
Office Equipment	17,190	17,190
Less Accumulated Depreciation	<u>( 16,735)</u>	<u>( 16,939)</u>
	<u>455</u>	<u>251</u>
 OTHER ASSETS		
Deposit - Rent	<u>891</u>	<u>891</u>
Total Assets	<u>\$ 12,854</u>	<u>\$ 9,871</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT



BROKERWEST  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2001 AND 2002

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2001</u>	<u>2002</u>
CURRENT LIABILITIES		
Accounts Payable - Trade	\$ <u>2,001</u>	\$ <u>913</u>
Total Current Liabilities	<u>2,001</u>	<u>913</u>
STOCKHOLDERS' EQUITY		
Common Stock, 20,000 Shares Authorized, (14,400 shares issued no par value - stated value \$10)	144,000	144,000
Additional Paid In Capital	23,232	36,267
Retained Earnings	<u>(156,379)</u>	<u>( 171,309)</u>
Total Stockholders' Equity	<u>10,853</u>	<u>8,958</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 12,854</u>	<u>\$ 9,871</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
STATEMENTS OF RETAINED EARNINGS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2002

Balance - April 1, 2001	\$( 156,379)
Add: Net Loss	( 14,331)
Prior Period Adjustment	<u>( 599)</u>
Balance - March 31, 2002	<u>\$( 171,309)</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE FISCAL YEAR ENDED MARCH 31, 2002

	Common Stock	Additional Paid In Capital	Retained Earnings	Total
Balance March 31, 2001	\$144,000	\$ 23,232	\$(156,379)	\$ 10,853
Changes:				
Contribution of Capital		(13,035)		(13,035)
Prior Period Adjustment			( 599)	( 599)
Net Loss for Year	_____	_____	( 14,331)	(14,331)
Balance March 31, 2002	<u>\$144,000</u>	<u>\$ 36,267</u>	<u>\$(171,309)</u>	<u>\$ 8,958</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
 COMPARATIVE STATEMENT OF INCOME  
 FOR THE FISCAL YEARS ENDED MARCH 31, 2001 and 2002

	<u>March 31, 2001</u>	<u>March 31, 2002</u>
Commission & Consulting Income	\$ <u>38,484</u>	\$ <u>13,938</u>
Net Commission Income	38,484	13,938
Administrative Expenses	<u>34,541</u>	<u>27,469</u>
Income (Loss) Before Taxes	3,943	( 13,531)
Provision For Income Taxes	<u>800</u>	<u>800</u>
Net Income (Loss)	<u>\$ 3,143</u>	<u>\$ ( 14,331)</u>
Gain (Loss) per Share	<u>\$ 0.23</u>	<u>\$ ( .995)</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
ADMINISTRATIVE EXPENSES  
FOR THE FISCAL YEARS ENDED MARCH 31, 2001 and 2002

	<u>2001</u>	<u>2002</u>
Auto	\$ 47	\$ ---
Bank Charges	543	515
Telephone and Communication	4,575	4,155
Equipment Rental	---	19
Depreciation	327	204
Contributions	362	455
Dues and Subscriptions	2,233	2,055
Continuing Education	1,500	200
Employee Benefits	932	---
Entertainment and Promotion	1,551	---
Insurance - General	593	1,202
Insurance - Group	3,286	1,659
Interest Expense	40	---
Legal and Accounting	3,190	2,051
Consulting	1,163	3,111
Office Supplies	4,095	2,485
Rent and Parking	6,902	7,314
Messenger & Delivery	217	141
Miscellaneous	---	1,335
Taxes and Licenses	543	468
Trade Shows	376	100
Travel	2,043	---
Utilities	<u>23</u>	<u>---</u>
Total	<u>\$ 34,541</u>	<u>27,469</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2002

Net Cash Flow From Operating Activities

Net Loss	\$( 14,331)
Adjustments for differences between income and cash flows from:	
Add: Depreciation Expense	204
Decrease in Prepaids	1,502
Less: Prior Period Adjustment	( 599)
Decrease in Accounts Payable	<u>( 1,088)</u>
Net Cash Used By Operating Activities	\$( 14,312)
Contribution to Additional Paid in Capital	<u>( 13,035)</u>
Net Decrease in Cash	( 1,277)
Cash, April 1, 2001	<u>10,006</u>
Cash, March 31, 2002	<u>\$ 8,729</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
COMPUTATION OF NET CAPITAL  
MARCH 31, 2002

Stockholders' Equity per Focus Report	\$ 9,859
Less Prior Period Adjustment not Recorded on Focus Report	( 901)
Adjusted Total Stockholders' Equity	\$ 8,958
Net Capital - March 31, 2002	<u>\$ 8,958</u>

SEE ACCOMPANYING NOTES AND AUDITORS REPORT

BROKERWEST  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2002

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The company reports income on the accrual basis for both tax and book purposes.

Property and Equipment are recorded at cost and depreciated using the MACRS method over the estimated useful life of the asset.

NOTE 2 – LEASES

The company leases from shareholder its facilities in Venice, CA on a month to month basis at \$600.00 per month. The company has no lease commitments exceeding one year.

NOTE 3 – PROFIT SHARING PLAN

The company created a Profit Sharing Plan in 1993. No contributions were made for 2001 or 2002.