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

BB 3/14/02

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FEB 28 2002

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:

MFR Securities, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

One Liberty Plaza, 46th Floor 165 Broadway  
(No. and Street)

New York New York 10006  
(City) (State) (Zip Code)

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

George M. Ramirez (212) 416-5000  
(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Rothstein, Kass & Company, P.C.

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

85 Livingston Avenue Roseland New Jersey 07068  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

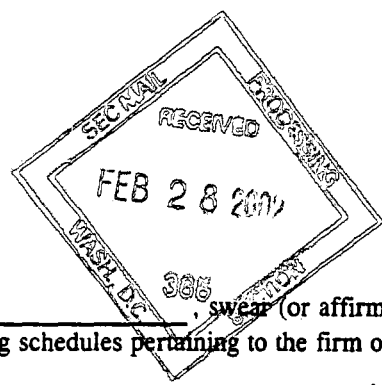
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MAR 14 2002

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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).

KA  
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OATH OR AFFIRMATION



I, George M. Ramirez, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MFR Securities, Inc., as of December 31, 20 01, 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:

State of New York  
County of New York  
Sworn before me  
this 2<sup>nd</sup> day of Feb. 2002

LILY CHIU  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 01CH8010878  
QUALIFIED IN NEW YORK COUNTY  
COMMISSION EXPIRES AUGUST 29, 2002

*[Handwritten Signature]*

Signature

President & CEO

Title

*[Handwritten Signature]*  
Notary Public

LILY CHIU  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 01CH8010878  
QUALIFIED IN NEW YORK COUNTY  
COMMISSION EXPIRES AUGUST 29, 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 report on internal accounting control.
- (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

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

# MFR SECURITIES, INC.

## STATEMENT OF FINANCIAL CONDITION

December 31, 2001

### ASSETS

Cash	\$	7,477
Investments, at market		85,968
Receivable from clearing broker		20,179
Other assets		<u>3,300</u>
	\$	<u>116,924</u>

### LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities, accrued expenses	\$	<u>14,515</u>
Commitments and contingencies		
Stockholder's equity		
Common stock, no par value, authorized, issued, and outstanding 1,000 shares		2,000
Additional paid-in capital		208,242
Accumulated deficit		<u>(107,833)</u>
Total stockholder's equity		<u>102,409</u>
	\$	<u>116,924</u>