

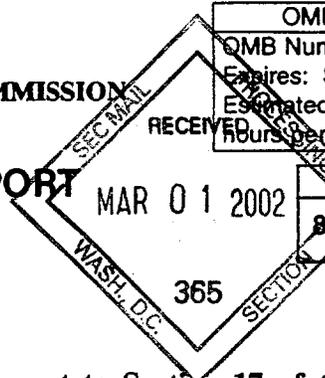


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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



SEC FILE NUMBER  
32743

**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:

Vestor Capital Corporation

OFFICIAL USE ONLY  
FIRM ID. NO.

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

10 S. Riverside Plaza, Suite 1434

(No. and Street)

Chicago,

Illinois

60606

(City)

(State)

(Zip Code)

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

Brian C. Baker

(312) 641-2400

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Dooley, Bradford R., CPA

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

220 S. State St.,

Chicago,

Illinois

60604

(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 26 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).

W

Mo  
3-22-02

OATH OR AFFIRMATION

I, Brian C. Baker, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Vestor Capital Corporation, as of December 31, ~~19~~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:

None

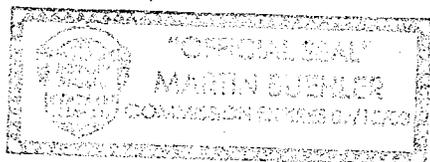
Sworn and subscribed to me on the 20<sup>th</sup> day of February, 2002.

Brian C. Baker  
Signature

President

Title

Martin Buckler  
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).

VESTOR CAPITAL CORPORATION

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2001

(FILED PURSUANT TO RULE 17a-5(d)

UNDER THE SECURITIES EXCHANGE ACT

OF 1934)

BRADFORD R. DOOLEY & ASSOCIATES

*Accountants and Auditors*

220 SOUTH STATE STREET - SUITE 1910

CHICAGO, ILLINOIS 60604

*Member*  
AMERICAN INSTITUTE OF  
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ILLINOIS CPA SOCIETY

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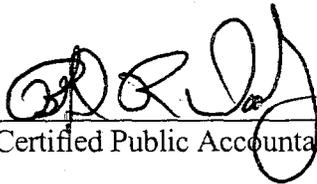
**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Vestor Capital Corporation  
Chicago, Illinois 60606

I have audited the accompanying statement of financial condition of Vestor Capital Corporation as of December 31, 2001. This financial statement is the responsibility of the Company's management. My responsibility is to express an opinion on the financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Vestor Capital Corporation as of December 31, 2001, in conformity with generally accepted accounting principles.

  
\_\_\_\_\_  
Certified Public Accountant

Chicago, Illinois  
February 20, 2002

**VESTOR CAPITAL CORPORATION**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2001**

**ASSETS**

Cash in bank	\$ 190,918
Accounts receivable	454,430
Property and equipment at cost, net of accumulated depreciation of \$126,932	121,062
Deposits with broker	26,602
Other assets	<u>87,096</u>
 Total assets	 <u>\$ 880,108</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities**

Accounts payable and accrued expenses	\$ 152,537
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**Stockholders' Equity**

Common stock, voting no par value; authorized 110,000 shares; issued and outstanding 100,000 shares	\$ 1
Paid-in capital	410,358
Retained earnings	<u>317,212</u>
 Total stockholders' equity	 <u>727,571</u>
 Total liabilities and stockholders' equity	 <u>\$ 880,108</u>

The accompanying notes to the financial statements are an integral part of this statement.

**VESTOR CAPITAL CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**Summary of Significant Accounting Policies**

Vestor Capital Corporation is a registered securities broker/dealer and investment advisor. Customer accounts are carried with the Pershing Division of Donaldson, Lufkin & Jenrette Securities Corporation, on a fully disclosed basis pursuant to an agreement with Vestor Capital Corporation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Commission income is earned and recorded on the settlement date of the transaction.

Property and equipment are stated at cost and depreciated using accelerated methods over the estimated useful lives of the assets.

For purposes of the statement of cash flows, the Company considers all cash on hand, amounts due from banks and short-term investments to be cash equivalents.

The Company has elected S Corporation status for federal income tax purposes. Income taxes are therefore the responsibility of the Company's shareholders. Therefore, no provision for or benefits from income taxes have been included in these financial statements.

**Net Capital Requirements**

Pursuant to Rule 15c3-1 of the Securities and Exchange Commission, the Company is required to maintain minimum net capital as defined under the rule. The Company is required to maintain "net capital" equal to the greater of \$50,000 or 6 2/3% of the "aggregate indebtedness", as these terms are defined. Net capital changes from day to day, but at December 31, 2001, the Company had net capital and net capital requirements of \$64,983 and \$50,000 respectively. The net capital rule may effectively restrict the payment of cash dividends.

**Quasi-Reorganization**

During the year ended December 31, 1997, the company's Board of Directors and sole shareholder adopted a resolution to eliminate the retained earnings deficit by transfer of paid in capital in the amount of \$361,393 representing the deficit in retained earnings as of January 1, 1997.

**VESTOR CAPITAL CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**Quasi-Reorganization** (Continued)

The effect of this reorganization is reflected in the following table:

	Retained Earnings <u>(Deficit)</u>	Paid In <u>Capital</u>
Balance, January 1, 1997	\$ (361,393)	\$ 562,999
1997 Quasi Reorganization to apply paid in capital against deficit	<u>361,393</u>	<u>(361,393)</u>
Sub-Total	-0-	201,606
Net income for the year ended December 31, 1997	<u>201,309</u>	<u>-0-</u>
Balance, December 31, 1997	<u>\$ 201,309</u>	<u>\$ 201,606</u>

**401 (k) Savings Plan**

The Company maintains a deferred compensation plan under Section 401(k) of the Internal Revenue Code. Under the plan, employees may elect to defer up to 15% of their salary, subject to the Internal Revenue Service limits. The Company has elected to make a discretionary contribution for the year ended December 31, 2001 in the amount of \$20,455.

**Commitments**

The Company occupies its offices under leases which expire through September 30, 2009. Future rental commitments under the terms of the leases are as follows:

<u>Year Ended December 31,</u>	<u>Minimum Rent</u>		
	<u>Chicago</u>	<u>Lake Forest</u>	<u>Total</u>
2002	\$ 109,132	\$ 31,800	\$ 140,932
2003	111,850	23,850	135,700
2004	114,643	-0-	114,643
2005	117,514	-0-	117,514
2006	<u>120,463</u>	<u>-0-</u>	<u>120,463</u>
Sub-total	573,602	55,650	629,252
Thereafter from 2007-2009	<u>344,976</u>	<u>-0-</u>	<u>344,976</u>
Total	<u>\$ 918,578</u>	<u>\$ 55,650</u>	<u>\$ 974,228</u>

The Company has the right to terminate the lease on the Chicago, Illinois office at the end of fifth (5<sup>th</sup>) or seventh (7<sup>th</sup>) year, upon conveying proper notice to the landlord.

The Company has two options to renew the Lake Forest, Illinois lease, each for an additional one year period, provided that the Company is not in default to the terms and conditions of the lease. Additionally, the Company may terminate the lease upon six months notice.

The Company may be obligated for additional amounts based upon increases in operating costs and real estate taxes over the term of these leases.