



02006886

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

043-11-02
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

MAIL RECEIVED
MAR 01 2002
354
WASH. D.C.

SEC FILE NUMBER
8-45459

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: WALL STREET STRATEGIES, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

362 NORTH MAIN STREET
(No. and Street)

HURON OHIO 44839
(City) (State) (Zip Code)

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

GARRY N. SAVAGE, SR. (419) 433-5291
(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

McCURDY & ASSOCIATES CPA'S, INC.
(Name — if individual, state last, first, middle name)

27955 CLEMENS ROAD WESTLAKE OHIO 44145
(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 18 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).

OATH OR AFFIRMATION

I, GARRY N. SAVAGE, SR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WALL STREET STRATEGIES, INC., as of DECEMBER 31, 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:

No exceptions

Signature: Garry N. Savage
President
Title

Notary Public: Tamila J. Darling

TAMILA J. DARLING
Notary Public, State of Ohio
My Commission Expires 12/16/04

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).

Financial Statements
and Additional Information

Wall Street Strategies, Inc.

For the Year Ended December 31, 2001
With Report of Independent Auditors

Wall Street Strategies, Inc.
Financial Statements and Additional Information
For the Year Ended December 31, 2001

CONTENTS

Report of Independent Auditors.....	1
Financial Statements:	
Statement of Financial Condition	2
Statement of Income	3
Statement of Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6-7
Additional Information:	
Schedule I-Computation of Net Capital.....	8
Schedule II-Statement Pursuant to Rule 17a-5(d)(4).....	9
Independent Auditors' Supplementary Report on Internal Control.....	10-11



McCurdy
& Associates
CPA's, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

27955 Clemens Road
Westlake, Ohio 44145-1121
Phone: (440) 835-8500
Fax: (440) 835-1093

REPORT OF INDEPENDENT AUDITORS

To The Board of Directors
Wall Street Strategies, Inc.:

We have audited the accompanying statement of financial condition of Wall Street Strategies, Inc. as of December 31, 2001, and the related statement of income, stockholder's 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 auditing standards generally accepted in the United States of America. 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 Wall Street Strategies, Inc. as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McCurdy & Associates CPA's, Inc.

McCurdy & Associates CPA's, Inc.
Westlake, Ohio
January 25, 2002

Wall Street Strategies, Inc.
Statement of Financial Condition
December 31, 2001

Assets

Current assets

Cash	\$ 15,944
Accounts receivable	600
Securities owned, at market value	300
Interest receivable	66,298
Notes receivable	<u>95,958</u>

Total current assets 179,100

Computer network	17,590
Less accumulated depreciation	<u>(13,079)</u>
Net computer network	<u>4,511</u>

Total assets \$183,611

Liabilities and stockholder's equity

Liabilities

Accounts payable	\$ 1,861
Note payable	<u>5,380</u>

Total liabilities 7,241

Stockholder's equity

Common stock-\$.10 par value, 500,000 shares authorized, 232,800 shares issued and outstanding	23,280
Additional paid-in capital	220,196
Deficit in retained earnings	<u>(67,106)</u>

Total stockholder's equity 176,370

Total liabilities and stockholder's equity \$183,611

The accompanying notes are an integral
part of these financial statements

Wall Street Strategies, Inc.
Statement of Income
For The Year Ended December 31, 2001

Revenues

Commissions-other securities	\$184,179
Commissions-mutual funds	14,861
Interest income	9,945
Unrealized loss on investments	<u>(721)</u>
	<u>208,264</u>

Expenses

Commissions	181,242
Fees and registrations	853
Depreciation	6,240
Professional fees	8,870
Management fees	36,000
Interest expense	780
Other expenses	<u>1,589</u>
	<u>235,574</u>

Income before income taxes (27,310)

Provision for income taxes 0

Net Income \$(27,310)

The accompanying notes are an integral
part of these financial statements

Wall Street Strategies, Inc.
Statement of Stockholder's Equity
For The Year Ended December 31, 2001

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Deficit in Retained Earnings</u>	<u>Total</u>
Beginning Balance	\$23,280	\$220,196	\$(39,796)	\$203,680
Net Income	-	-	(27,310)	(27,310)
Ending Balance	<u>\$23,280</u>	<u>\$220,196</u>	<u>\$(67,106)</u>	<u>\$ 176,370</u>

The accompanying notes are an integral
part of these financial statements

Wall Street Strategies, Inc.
Statement of Cash Flows
For The Year Ended December 31, 2001

Cash flows from operating activities:	
Net income (loss)	\$(27,310)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	6,240
Unrealized loss on investments	721
Changes in:	
Accounts payable	(4,390)
Net cash Provided (Used) by Operating Activities	(24,739)
Cash flows from investing activities:	
Changes in:	
Interest receivable	(9,945)
Note receivable	<u>32,369</u>
Net Cash Provided (Used) by Investing Activities	22,424
Cash flows from financing activities:	
Net Cash Provided (Used) by Financing Activities	<u>0</u>
Net increase (decrease) in cash	(2,315)
Cash at beginning of year	<u>18,259</u>
Cash at end of year	<u>\$15,944</u>

During 2001, the company paid \$780 in interest expense and \$350 in income taxes.

The accompanying notes are an integral
part of these financial statements

Wall Street Strategies, Inc.
Notes to Financial Statements
For The Year Ended December 31, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Wall Street Strategies, Inc., a corporation, is a registered broker/dealer in securities. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Computer Network

Computer Network is stated at cost and depreciated using the straight-line method over estimated useful life of three years.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to unrealized appreciation of securities and difference between the depreciation for book and tax purposes. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes also are recognized for operating losses and tax credits that are available to offset future taxable income. The deferred tax liability as of December 31, 2001 is immaterial and therefore not reflected in the current financial statements.

NOTE B - RELATED PARTY TRANSACTIONS

The Company has a management agreement with Advanced Strategies, Inc. whereby the Company agrees to pay Advanced Strategies, Inc. for personnel, services, and facilities it provides. Certain officers of the Company are also officers of Advanced Strategies, Inc. The Company paid \$36,000 to Advanced Strategies, Inc. in 2001 under this agreement. At December 31, 2001, the Company has recorded notes receivable totaling \$98,958 from Advanced Strategies, Inc. The notes are demand notes bearing an interest rate of 8%, with interest accumulated monthly.

Wall Street Strategies, Inc.
Notes to Financial Statements (Cont'd)
For The Year Ended December 31, 2001

NOTE C - INCOME TAXES

The Company has net operating loss carryforwards of \$66,272 which begin to expire in 2019. Therefore, a provision for income taxes is not recorded in the financial statements.

Deferred federal income tax has not been recognized due to the uncertainty of utilization of the net operating loss carryforward.

NOTE D - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission (SEC) 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. At December 31, 2001, the Company had net capital of \$13,214 which was \$8,214 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was .14 to 1.

NOTE E - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

NOTE F- NOTE PAYABLE

At December 31, 2001, the Company was liable on a 8.920% promissory note payable to First Merit Bank secured by specific equipment due in monthly installments of \$559.84 including interest through October 29, 2002.

Additional Information

Wall Street Strategies, Inc.
Computation of Net Capital
December 31, 2001

Computation of net capital	
Total stockholder's equity	\$176,370
Deductions and charges:	
Non allowable assets:	
Accounts receivable	600
Interest receivable	66,298
Note receivable	<u>95,958</u>
Net capital before haircuts on security positions	13,514
Haircuts on securities:	<u>300</u>
Net capital	<u>\$ 13,214</u>
Computation of basic net capital requirement	
Net capital requirement (6 2/3% of aggregate indebtedness)-rounded to 6.67%	<u>\$ 124</u>
Minimum dollar requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 8,214</u>
Excess net capital at 1,000% (net capital less 10% of aggregate indebtedness)	<u>\$ 13,028</u>
Computation of aggregate indebtedness	
Total aggregate indebtedness	<u>\$ 1,861</u>
Ratio of aggregate indebtedness to net capital	<u>.14 to 1</u>

Wall Street Strategies, Inc.
Statement Pursuant to Rule 17a-5(d)(4)
December 31, 2001

A reconciliation of the computation of net capital under Rule 15c3-1 as included in the company's unaudited Form X-17a-5 as of December 31, 2001 filed with the Securities and Exchange Commission and the amount included in the accompanying Schedule I computation is as follows:

	December 31, <u>2001</u>
Net capital, as reported in company's form X-17a-5, Part IIA	\$13,571
Net audit adjustments	<u>(357)</u>
Net capital, as reported in Schedule I	<u>\$13,214</u>

Inasmuch as Wall Street Strategies, Inc. is operating as a fully-disclosed broker/dealer and does not carry customer accounts, the following supporting schedules are not applicable:

- A. Computation for determination of the reserve requirements under Exhibit A of Rule 15c3-3.
- B. Information relating to the possession or control requirements under Rule 15c3-3.



Independent Auditors' Supplementary Report
on Internal Control

The Board of Directors
Wall Street Strategies, Inc.

In planning and performing our audit of the financial statements of Wall Street Strategies, Inc. for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures 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-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control 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 or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity 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 internal control or the practices and procedures referred to above, error or fraud may 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 effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC 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 SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

McCurdy + Associates CPA's, Inc.

McCurdy & Associates CPA's, Inc.
Westlake, Ohio
January 25, 2002