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

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

SEC FILE NUMBER  
8-16544

REC'D S.E.C.  
MAR 1 2002

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:

First Sentinel Securities, Ltd.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

101 Merritt 7

(No. and Street)

Norwalk,

CT

06851

(City)

(State)

(Zip Code)

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

William C. Gow

(203)846-3199

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Dworken, Hillman, LaMorte & Sterczala, P.C.

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

Four Corporate Drive, Suite 488

Shelton,

CT

06484

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

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

PROCESSED

APR 02 2002

THOMSON  
FINANCIAL

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\*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, William C. Gow, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Sentinel Securities, Ltd., 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:

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

William C. Gow  
Signature  
Chairman  
Title

Lucia Leone  
Notary Public  
LUCIA LEONE  
NOTARY PUBLIC  
COMMISSION EXPIRES 8/31/2005

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*

**FIRST SENTINEL SECURITIES, LTD.**

Years Ended December 31, 2001 and 2000

**FIRST SENTINEL SECURITIES, LTD.**

Years Ended December 31, 2001 and 2000

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# DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.

*Certified Public Accountants/Business Consultants*

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Eric N. Hendlin, CPA  
C. Robert Hillman, CPA  
Ronald A. LaMorte, CPA  
William C. Lesko, CPA  
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*Of Counsel*

*M.I. Dworken, CPA*

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## Independent Auditors' Report

Board of Directors  
First Sentinel Securities, Ltd.  
Norwalk, Connecticut

We have audited the accompanying balance sheets of First Sentinel Securities, Ltd. (a wholly-owned subsidiary of Gow Holdings, Inc.) as of December 31, 2001 and 2000 and the related statements of income, shareholder's equity, 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 audits.

We conducted our audits 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 audits provide 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 First Sentinel Securities, Ltd. as of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on page 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5(A) of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the 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.

February 5, 2002

*Dworken Hillman, LaMorte & Sterczala P.C.*

FIRST SENTINEL SECURITIES, LTD.

BALANCE SHEETS

	December 31,	
	<u>2001</u>	<u>2000</u>
<b>Assets</b>		
Cash	<u>\$12,172</u>	<u>\$11,958</u>
<b>Total Assets</b>	<u>\$12,172</u>	<u>\$11,958</u>
<b>Shareholder's equity:</b>		
Common stock, \$10 par; 200 shares authorized, issued and outstanding	\$ 2,000	\$ 2,000
Additional paid in capital	4,100	4,100
Retained earnings	<u>6,072</u>	<u>5,858</u>
<b>Total Shareholder's Equity</b>	<u>\$12,172</u>	<u>\$11,958</u>

*See notes to financial statements.*

FIRST SENTINEL SECURITIES, LTD.

STATEMENTS OF INCOME

	Year Ended December 31,	
	<u>2001</u>	<u>2000</u>
<b>Revenues:</b>		
Interest income	<u>\$214</u>	<u>\$210</u>
Income before income taxes	<u>214</u>	<u>210</u>
Income taxes (Note 2)	<u>—</u>	<u>—</u>
<b>Net income</b>	<u><b>\$214</b></u>	<u><b>\$210</b></u>

*See notes to financial statements.*

FIRST SENTINEL SECURITIES, LTD.

STATEMENTS OF SHAREHOLDER'S EQUITY

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance, December 31, 1999</b>	\$2,000	\$4,100	\$5,648	\$11,748
Net income	_____	_____	210	210
<b>Balance, December 31, 2000</b>	2,000	4,100	5,858	11,958
Net income	_____	_____	214	214
<b>Balance December 31, 2001</b>	<u>\$2,000</u>	<u>\$4,100</u>	<u>\$6,072</u>	<u>\$12,172</u>

*See notes to financial statements.*

FIRST SENTINEL SECURITIES, LTD.

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	<u>2001</u>	<u>2000</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ <u>214</u>	\$ <u>210</u>
Net cash provided by operating activities	<u>214</u>	<u>210</u>
<b>Net increase in cash</b>	214	210
Cash, beginning	<u>11,958</u>	<u>11,748</u>
<b>Cash, ending</b>	<u><u>\$12,172</u></u>	<u><u>\$11,958</u></u>

*See notes to financial statements.*

**FIRST SENTINEL SECURITIES, LTD.**

**NOTES TO FINANCIAL STATEMENTS**

Years Ended December 31, 2001 and 2000

**1. Summary of significant accounting policies and business of the Company:**

First Sentinel Securities, Ltd. (Company) is a wholly-owned subsidiary of Gow Holdings, Inc. (Parent). The Company is a broker which deals exclusively in securities held by an affiliate through common ownership. The Company does not maintain or clear any customer accounts; nor does it maintain or hold any securities.

The Parent has supplied all general and administrative expenses and all necessary fixed assets for the Company.

**2. Income taxes:**

The Company files tax returns on a consolidated basis with its Parent.

**3. Reconciliation of net capital:**

There were no reconciling differences between the audited computation of net capital and that reported previously by the Company.

FIRST SENTINEL SECURITIES, LTD.

COMPUTATION OF NET CAPITAL PURSUANT TO THE  
UNIFORM NET CAPITAL RULE 15c3-1

December 31, 2001

<b>Shareholders' equity</b>	\$12,172
Less non allowable assets	<u>0</u>
<b>Net capital</b>	12,172
Minimum net capital required pursuant to Uniform Net Capital Rule 15c3-1	<u>5,000</u>
<b>Excess of net capital over minimum requirements</b>	<u>\$ 7,172</u>
Total aggregate indebtedness	NONE
Required minimum net capital (6.7% of total aggregate indebtedness)	NONE
<b>Ratio of total aggregate indebtedness to net capital</b>	NONE

*Note: There are no material differences between the amounts reported above and the amounts reported in the Company's corresponding unaudited December 31, 2001 Form X-17a-5 Part II A filing.*

FIRST SENTINEL SECURITIES, LTD.

**EXEMPTIVE PROVISION UNDER RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company does not effect transactions for anyone defined as a customer under Rule 15c3-3. Accordingly, there are no items to report under the requirements of this Rule. In management's opinion, the Company was in compliance with the exemption provisions of Rule 15c3-3 during the year ended December 31, 2001.



**DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.**

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**Report of Independent Auditors' on  
Internal Controls Required by SEC Rule 17a-5**

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Board of Directors  
First Sentinel Securities, Ltd.  
Norwalk, Connecticut

In planning and performing our audit of the financial statements of First Sentinel Securities, Ltd. (Company) for the year ended December 31, 2001, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the 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 compliance with 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 security accounts for customers or perform custodial functions relating to customer securities we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of First Sentinel Securities, Ltd. 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. 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, errors 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 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 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 those 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 as of December 31, 2001 to meet the SEC's objectives.

This report is intended solely for the Board of Directors and management of First Sentinel Securities, Ltd., the SEC and other regulatory agencies that rely on Rule 17a-5(g) under the Securities and 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 those specified parties.

February 5, 2002

*Dwight Hillman, Esquire + Sterngold P.C.*