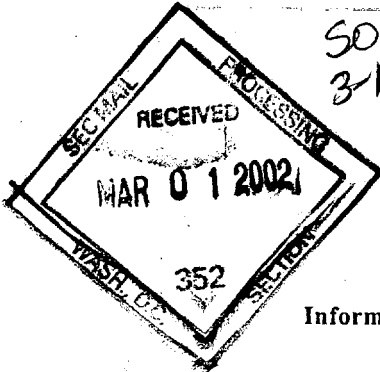




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UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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

SEC FILE NUMBER 8- 30375

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 1/1/2001 AND ENDING 12/31/2001 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Bettinger & Leech Financial Corporation

OFFICIAL USE ONLY

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

FIRM I.D. NO.

600 Palisade Avenue - Suite #21

(No. and Street)

Englewood Cliffs

New Jersey

07632

(City)

(State)

(Zip Code)

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

Richard A. Leech

201-569-2220

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Blatt & Dauman. CPA's

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

560 Broad Hollow Road

Melville, New York

11747

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 20 2002

FOR OFFICIAL USE ONLY 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)

SEC 1410 (05-01)

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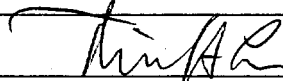
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OATH OR AFFIRMATION

I, Richard A. Leech, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bettinger & Leech Financial Corporation, as of December 31, 2001, 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:

Bettinger & Leech, Inc. ; Bettinger & Leech Profit Sharing Plans ALB & RAL ;
Bettinger & Leech Money Purcahse Plans ALB & RAL ; Abraham L. Bettinger ;

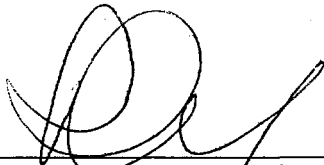
Richard A. Leech


Signature

President

Title

PHILIP C. AOVIAN, ESQ.
640 PALISADE AVENUE
ENGLEWOOD CLIFFS, NJ 07632


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 Proprietors' 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 15c3-3 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).

BETTINGER & LEECH FINANCIAL CORP.
Financial Statements
December 31, 2001

For Financial Reporting to the S.E.C.



ABBEY E. BLATT
JOEL S. DAUMAN

FAITH A. DOLLER
CYNTHIA A. HERRMANN
JAMEY J. BLATT
FRANCIS L. VAN SCOY

**To the Board of Directors
Bettinger & Leech Financial Corp.
New York, New York 10022**

We have audited the accompanying balance sheet of Bettinger & Leech Financial Corp. as of December 31, 2001 and the related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted an 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, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2001 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Respectfully submitted,

Blatt & Dauman, CPAs

Blatt & Dauman, CPAs

February 18, 2002

BETTINGER & LEECH FINANCIAL CORP.

Balance Sheet

December 31, 2001

ASSETS

Current Assets

Cash	\$ 57,799
Due from Paine Webber	101,822
Due from Fox, Pitt, Kelton, Inc.	539
Investment in Marketable Securities, at market value	112,775
Prepaid Expenses	<u>1,281</u>

Total Assets \$ 274,216

LIABILITIES

Current Liabilities

Accounts Payable	\$ 30,000
Accrued Expenses Payable	<u>800</u>

Total Liabilities 30,800

STOCKHOLDERS' EQUITY

Common Stock – par value \$1 per share authorized 2,000 shares, issued and outstanding 150 shares	\$ 150
Additional Paid-in Capital	14,850
Retained Earnings	<u>228,416</u>

Total Stockholders' Equity 243,416

Total Liabilities & Stockholders' Equity \$ 274,216

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



ABBEY E. BLATT
JOEL S. DAUMAN

FAITH A. DOLLER
CYNTHIA A. HERRMANN
JAMEY J. BLATT
FRANCIS L. VAN SCOY

**To the Board of Directors
Bettinger & Leech Financial Corp.
New York, New York**

Gentlemen:

We have examined the financial statements of Bettinger & Leech Financial Corp. for the year ended December 31, 2001 and issued our report thereon dated February 2002. In accordance with Securities and Exchange Commission regulations, we found no material inadequacies in the firm's accounting systems, internal accounting control and procedures for safeguarding securities. We have also found that the Corporation was up to date with funding their memberships in FASD, MSRB, and SIPC, and they were meeting the requirements of those memberships. Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other procedures as we considered necessary in these circumstances.

Respectfully submitted,

Blatt & Dauman, CPAs

Blatt & Dauman, CPAs

February 18, 2002

BETTINGER & LEECH FINANCIAL CORP.

Reconciliation of
Stockholders' Equity (Financial Report)
with that of Focus Report

Stockholders' Equity – Financial Report	\$ <u>243,416</u>
Ownership Equity – Focus Report	\$ <u>243,416</u>

There are no material differences between stockholders' equity as shown in the Financial Report and the compilation of ownership equity as shown in the Statement of Financial Condition of the Focus Report, Part II's, of even date.