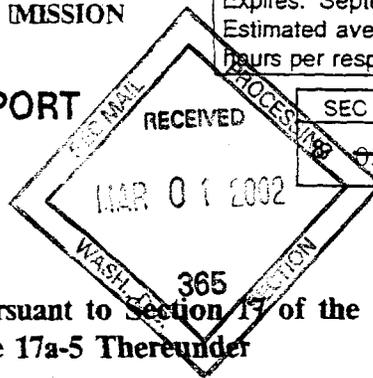


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ANNUAL AUDITED REPORT FORM X-17A-5 PART III



SEC FILE NUMBER 038380 48205

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 1-1-01 AND ENDING 12-31-01 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

East Coast Consultants, Inc.

OFFICIAL USE ONLY FIRM ID. NO.

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

30 Valley Stream Parkway

(No. and Street)

Malvern

PA

19355

(City)

(State)

(Zip Code)

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

G. Michael Mara

(610) 578-9941

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Beard Miller Company, LLP

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

2609 Keiser Blvd., P.O. Bos 311

Reading

PA

19603

(Address)

(City)

(State)

(Zip Code)

HECK 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 account must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)

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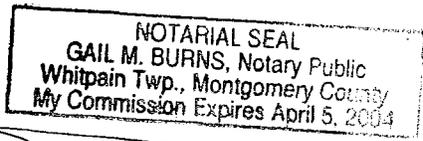
OATH OR AFFIRMATION

I, Louis J. Sozio, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of East Coast Consultants, 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:

[Handwritten Signature]
Signature

President

Title



[Handwritten Signature]
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).

EAST COAST CONSULTANTS, INC.

FINANCIAL REPORT

FORM X-17A-5

DECEMBER 31, 2001

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors
East Coast Consultants, Inc.
Malvern, Pennsylvania

We have audited the statement of financial condition of East Coast Consultants, Inc. (an S Corporation) as of December 31, 2001, and the related statements of income, changes in ownership equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 East Coast Consultants, 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 pages 13, 14, 15, 16 and 17 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 under the Securities Exchange Act of 1934. 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.

Reading, Pennsylvania
February 13, 2002

Beard Miller Company LLP

ASSETS

Consolidated [0198]		Unconsolidated [0199]			
		Allowable	Non-Allowable	Total	
1.	Cash	<u>12,937</u>		<u>12,937</u>	
		[0200]		[0750]	
2.	Receivables from brokers or dealers:				
	A. Clearance account	<u></u>			
		[0295]			
	B. Other	<u></u>		<u>0</u>	
		[0300]	[0550]	[0810]	
3.	Receivables from non- customers	<u></u>	<u>1,721</u>	<u>1,721</u>	
		[0355]	[0600]	[0830]	
4.	Securities and spot commodities owned, at market value:				
	A. Exempted securities	<u></u>			
		[0418]			
	B. Debt securities	<u></u>			
		[0419]			
	C. Options	<u></u>			
		[0420]			
	D. Other securities	<u></u>			
		[0424]			
	E. Spot commodities	<u></u>		<u>0</u>	
		[0430]		[0850]	
5.	Securities and/or other investments not readily marketable:				
	A. At cost	<u></u>			
		[0130]			
	B. At estimated fair value	<u></u>		<u>0</u>	
		[0440]	[0610]	[0860]	
6.	Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:	<u></u>	<u></u>	<u>0</u>	
		[0460]	[0630]	[0880]	

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	[1045]	[1255]	0 [1470]
14. Payable to brokers or dealers:			
A. Clearance account	[1114]	[1315]	0 [1560]
B. Other	[1115]	[1305]	0 [1540]
15. Payable to non-customers	[1155]	[1355]	0 [1610]
16. Securities sold not yet purchased, at market value		[1360]	0 [1620]
17. Accounts payable, accrued liabilities, expenses and other	3,989 [1205]	[1385]	3,989 [1685]
18. Notes and mortgages payable:			
A. Unsecured	[1210]		0 [1690]
B. Secured	[1211]	[1390]	0 [1700]
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			0
1. from outsiders		[1400]	[1710]
2. Includes equity subordination (15c3-1(d)) of	[0970]		
B. Securities borrowings, at market value:	[0980]		0
		[1410]	[1720]

	from outsiders			
		[0990]		
C.	Pursuant to secured demand note collateral agreements:			0
			[1420]	[1730]
1.	from outsiders			
		[1000]		
2.	Includes equity subordination (15c3-1(d)) of			
		[1010]		
D.	Exchange memberships contributed for use of company, at market value			0
			[1430]	[1740]
E.	Accounts and other borrowings not qualified for net capital purposes			0
		[1220]	[1440]	[1750]
20.	TOTAL LIABILITIES	<u>3,989</u>	<u>0</u>	<u>3,989</u>
		[1230]	[1450]	[1760]

Ownership Equity

			Total
21.	Sole proprietorship		<u>[1770]</u>
22.	Partnership (limited partners _____ [1020])		<u>[1780]</u>
23.	Corporations:		
A.	Preferred stock		<u>[1791]</u>
B.	Common stock (10,000 shares authorized without par value; 5,000 shares issued and outstanding at a stated value of \$0.20 a share)		<u>1,000</u> [1792]
C.	Additional paid-in capital		<u>30,775</u> [1793]

	D. Retained earnings (accumulated deficit)	<u>-20,618</u> [1794]
	E. Total	<u>11,157</u> [1795]
	F. Less capital stock in treasury	<u> </u> [1796]
24.	TOTAL OWNERSHIP EQUITY	<u>11,157</u> [1800]
25.	TOTAL LIABILITIES AND OWNERSHIP EQUITY	<u>15,146</u> [1810]

STATEMENT OF INCOME (LOSS)

Period Beginning <u>01/01/2001</u> [3932]	Period Ending <u>12/31/2001</u> [3933]	Number of months <u>12</u> [3931]
--	---	--------------------------------------

REVENUE

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange		[3935]
b. Commissions on listed option transactions		[3938]
c. All other securities commissions		[3939]
d. Total securities commissions		<u>0</u> [3940]
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		[3945]
b. From all other trading		[3949]
c. Total gain (loss)		<u>0</u> [3950]
3. Gains or losses on firm securities investment accounts		[3952]
4. Profit (loss) from underwriting and selling groups		[3955]
5. Revenue from sale of investment company shares		[3970]
6. Commodities revenue		[3990]
7. Fees for account supervision, investment advisory and administrative services (Note 4)		<u>15,556</u> [3975]
8. Other revenue		[3995]
9. Total revenue		<u>15,556</u> [4030]

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers		[4120]
11. Other employee compensation and benefits		[4115]
12. Commissions paid to other broker-dealers		[4140]

STATEMENT OF CHANGES

 STATEMENT OF CHANGES IN OWNERSHIP EQUITY
 (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1.	Balance, beginning of period		8,633
			[4240]
A.	Net income (loss)		2,524
			[4250]
B.	Additions (includes non-conforming capital of		
		[4262])	[4260]
C.	Deductions (includes non-conforming capital		
	of	[4272])	[4270]
2.	Balance, end of period (From item 1800)		11,157
			[4290]

 STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
 TO CLAIMS OF GENERAL CREDITORS

3.	Balance, beginning of period		
			[4300]
A.	Increases		
			[4310]
B.	Decreases		
			[4320]
4.	Balance, end of period (From item 3520)		0
			[4330]

STATEMENT OF CASH FLOWS

	<u>Year Ended December 31, 2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 2,524
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) in assets:	
Receivables from non-customers	(1,534)
Prepaid expenses	(270)
Increase in liabilities, Accounts payable, accrued liabilities, expenses and other	<u>3,989</u>
Net Cash Provided by Operating Activities	4,709
CASH - BEGINNING	<u>8,228</u>
CASH - ENDING	<u><u>\$ 12,937</u></u>

See notes to financial statements.

NOTE 1 - NATURE OF OPERATIONS

East Coast Consultants, Inc. (the "Company") is incorporated under the laws of the Commonwealth of Pennsylvania. The Company is registered with the Securities and Exchange Commission and the Commonwealth of Pennsylvania as a broker/dealer in securities. The Company serves as the principal underwriter and distributor of the shares of five diversified open-end mutual funds.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

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

Income Taxes

The Company, with the consent of its stockholder, has elected S Corporation status for both federal and state income tax purposes. In lieu of corporate income taxes, the stockholders of an S corporation are taxed on the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

NOTE 3 - REGULATORY REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined, equal to the greater of \$5,000 or 6-2/3% of aggregate indebtedness. Net capital and the related net capital ratio of aggregate indebtedness to net capital may fluctuate on a daily basis. At December 31, 2001, the Company had net capital of \$8,948 and net capital requirements of \$5,000. The net capital rules may effectively restrict the payment of cash dividends.

NOTE 4 - DISTRIBUTION PLANS

The Company serves as the principal underwriter for five open-end investment companies, the McGlinn Balanced Portfolio, the Walnut Asset Management Equity Portfolio, the Penn Street Advisors Sector Rotational Portfolio, the Baldwin Large-Cap Growth Portfolio and the Cumberland Taxable Income Portfolio (each a series of common shares of The Penn Street Fund, Inc., collectively, the "Portfolios"). Pursuant to separate Distribution Plans between the Company and the Portfolios, adopted under Rule 12b-1 of the Investment Company Act of 1940, the Portfolios make monthly payments to the Company for expenses related to the distribution of the Portfolios' shares and for providing shareholder services. The payments are calculated as a percentage (not to exceed 0.25%) of each Portfolio's average net assets. During the year ended December 31, 2001, the Company earned distribution and servicing fees of \$15,556.

NOTE 5 - TRANSACTIONS WITH AFFILIATES

The Company has entered into a Sublease Agreement (the "Agreement") with Millennium Bank ("Millennium"), an affiliated company, for certain office space which is currently leased by Millennium. The Agreement expires on November 30, 2004 and provides for monthly lease payments in an amount equal to the Company's net revenues during the immediately prior month, subject to certain adjustments. During the year ended December 31, 2001, the Company incurred rent expense in the amount of \$2,524 pursuant to the Agreement.

EXEMPTIVE PROVISIONS

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

- A. (k) (1)--Limited business (mutual funds and/or variable annuities only) [4550]
- B. (k) (2)(i)--"Special Account for the Exclusive Benefit of customers" maintained [4560]
- C. (k) (2)(ii)--All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s) [4570]

Clearing Firm SEC#s	Name	Product Code
8- _____ [4335A]	_____ [4335A2]	_____ [4335B]
8- _____ [4335C]	_____ [4335C2]	_____ [4335D]
8- _____ [4335E]	_____ [4335E2]	_____ [4335F]
8- _____ [4335G]	_____ [4335G2]	_____ [4335H]
8- _____ [4335I]	_____ [4335I2]	_____ [4335J]

- D. (k) (3)--Exempted by order of the Commission [4580]

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition			11,157
				[3480]
2.	Deduct ownership equity not allowable for Net Capital			[3490]
3.	Total ownership equity qualified for Net Capital			11,157
				[3500]
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			0
				[3520]
	B. Other (deductions) or allowable credits (List)			
		[3525A]	[3525B]	
		[3525C]	[3525D]	
		[3525E]	[3525F]	0
				[3525]
5.	Total capital and allowable subordinated liabilities			11,157
				[3530]
6.	Deductions and/or charges:			
	A. Total non-allowable assets from Statement of Financial Condition (Note B and C)		2,209	[3540]
	1. Additional charges for customers' and non-customers' security accounts			[3550]
	2. Additional charges for customers' and non-customers' commodity accounts			[3560]
	B. Aged fail-to-deliver			[3570]
	1. Number of items	[3450]		
	C. Aged short security differences-less			
	reserve of	[3460]	[3580]	
	number of items	[3470]		
	D. Secured demand note deficiency			[3590]

E.	Commodity futures contracts and spot commodities proprietary capital charges	_____	[3600]	
F.	Other deductions and/or charges	_____	[3610]	
G.	Deductions for accounts carried under Rule 15c3-1(a)(6), and (a)(7) and (c)(2)(x).	_____	[3615]	
H.	Total deductions and/or charges			-2,209 [3620]
7.	Other additions and/or credits (List)			
		_____	[3630A]	_____
				[3630B]
		_____	[3630C]	_____
				[3630D]
		_____	[3630E]	_____
				[3630F]
8.	Net capital before haircuts on securities positions			0 [3630]
				8,948 [3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A.	Contractual securities commitments	_____	[3660]	
B.	Subordinated securities borrowings	_____	[3670]	
C.	Trading and investment securities:			
1.	Bankers' acceptances, certificates of deposit and commercial paper	_____	[3680]	
2.	U.S. and Canadian government obligations	_____	[3690]	
3.	State and municipal government obligations	_____	[3700]	
4.	Corporate obligations	_____	[3710]	
5.	Stocks and warrants	_____	[3720]	
6.	Options	_____	[3730]	
7.	Arbitrage	_____	[3732]	
8.	Other securities	_____	[3734]	
D.	Undue Concentration	_____	[3650]	

E. Other (List)

		(3736A)	(3736B)	
		(3736C)	(3736D)	
		(3736E)	(3736F)	
			0	0
			(3736)	(3740)
10.	Net Capital	There was no difference between the audited and unaudited calculation of net capital pursuant to Rule 15c3-1.		8,948
				(3750)

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11.	Minimum net capital required (6-2/3% of line 19)	265
		(3756)
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u>	5,000
		(3758)
13.	Net capital requirement (greater of line 11 or 12)	5,000
		(3760)
14.	Excess net capital (line 10 less 13)	3,948
		(3770)
15.	Excess net capital at 1000% (line 10 less 10% of line 19)	8,549
		(3780)

COMPUTATION OF AGGREGATE INDEBTEDNESS

16.	Total A.I. liabilities from Statement of Financial Condition	3,989
		(3790)
17.	Add:	
A.	Drafts for immediate credit	(3800)
B.	Market value of securities borrowed for which no equivalent value is paid or credited	(3810)
C.	Other unrecorded amounts(List)	
	(3820A)	(3820B)
	(3820C)	(3820D)
	(3820E)	(3820F)

	0	0
	[3820]	[3830]
18. Deduct Adjustment based upon deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii))		[3838]
19. Total aggregate indebtedness		3,989 [3840]
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)	%	45 [3850]
21. Percentage of aggregate indebtedness to net capital after anticipated capital withdrawals (line 19 / line 10 less Item 4880)	%	45 [3853]

OTHER RATIOS

Part C

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%	0 [3860]
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) - Net Capital	%	[3852]

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17A-5

Board of Directors
East Coast Consultants, Inc.
Malvern, Pennsylvania

In planning and performing our audit of the financial statements of East Coast Consultants, Inc. (the "Company"), 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 purposes 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 that we considered relevant to the objectives stated in Rule 17-a5(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 purposes of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodian 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 the 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 practices and procedures referred to in the previous 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 accounting principles generally accepted in the United States of America. Rule 17-a5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in the 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 SEC and other regulatory agencies that rely on Rule 17-a5(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.

Beard Miller Company LLP

Reading, Pennsylvania
February 13, 2002