

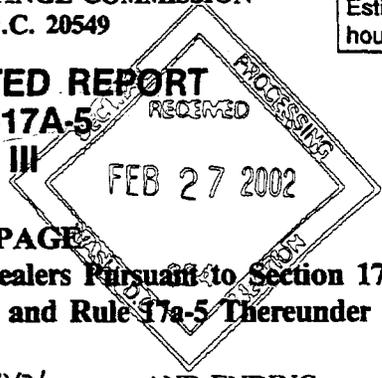
107-502



SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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**



SEC FILE NUMBER
827663

**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 01/01/2001 AND ENDING 12/31/2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Mid Atlantic Capital Corp.

OFFICIAL USE ONLY
FIRM ID. NO.

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

336 4th Ave.

(No. and Street)

Pittsburgh

(City)

PA

(State)

15222

(Zip Code)

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

Joseph F. Banco, CFO

412-391-7077

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Lally, Lally & Co, LLC

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

McKnight East, 302 McKnight Park Drive, Pittsburgh PA

(Address)

(City)

(State)

15237-6534

(Zip Code)

CHECK ONE:

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

PROCESSED
JUL 10 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, Joseph F. Banco, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mid Atlantic Capital Corp., 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:

NONE

Notarial Seal
Stacey Hohman, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Feb. 7, 2005
Member, Pennsylvania Association of Notaries

Joseph F. Banco
Signature
CFD
Title

Stacey Hohman
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).

MID ATLANTIC CAPITAL CORPORATION
(A Wholly Owned Subsidiary of
Mid Atlantic Capital Group, Inc.)
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2001 AND 2000

ASSETS	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 1,374,488	\$ 1,639,397
Cash Restricted Under Federal and Other Regulations	26,294,497	8,594,858
Accounts Receivable	1,257,075	675,564
Note Receivable - Parent Company	123,821	223,821
Prepaid and Other Assets	<u>264,177</u>	<u>97,212</u>
Total Assets	<u>\$ 29,314,058</u>	<u>\$ 11,230,852</u>
 LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities		
Payable to Customers	\$ 25,821,845	\$ 8,594,858
Accounts Payable, Accrued Expenses and Other Liabilities	1,362,806	942,671
Payable to Parent Company	<u>371,745</u>	<u>40,865</u>
Total Liabilities	<u>27,556,396</u>	<u>9,578,394</u>
 Subordinated Borrowings	 <u>0</u>	 <u>80,000</u>
 Stockholder's Equity		
Common Stock - \$1 Par Value, 10,000 Shares Authorized, 750 Shares Issued and Outstanding	750	750
Additional Paid-In Capital	431,405	431,405
Retained Earnings	<u>1,325,507</u>	<u>1,140,303</u>
Total Stockholder's Equity	<u>1,757,662</u>	<u>1,572,458</u>
 Total Liabilities and Stockholder's Equity	 <u>\$ 29,314,058</u>	 <u>\$ 11,230,852</u>

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