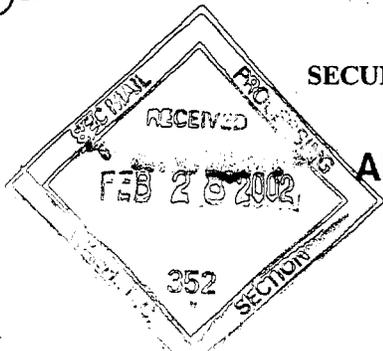


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SECURITE



SSION

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OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00

SEC FILE NUMBER  
8- 34906

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

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:

MMR Investment Bankers, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

215 W. Walnut, Drawer A

Nevada (City) Missouri (State) 64772-0930 (Zip Code)

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

William G. Martin, Jr.

417-549-6100

(Area Code — Telephone No.)

### B. ACCOUNTANT IDENTIFICATION

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

Rickords & Associates, P.C.

617 N. 17th Street, Suite 100 (Address) Colorado Springs (City) CO (State) 80904-3578 (Zip Code)

CHECK ONE:

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

PROCESSED

MAR 20 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).

113-19-02

OATH OR AFFIRMATION

I, William G. Martin, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MMR Investment Bankers, 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:

PATRICIA SHERILL HUBERT
Notary Public - State of Missouri
County of Vernon
My Commission Expires Nov. 26, 2005

Signature of William G. Martin, Jr.
President/CEO
Title

Signature of Patricia Sherill Hubert
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).

MMR INVESTMENT BANKERS, INC.

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Condition	2
Statement of Income and Retained Earnings	3
Statement of Cash Flows	4
Statement of Changes in Stockholders' Equity	5
Notes to the Financial Statements	6-10
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Report on Internal Control	24-26



RICKORDS & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

617 North 17<sup>th</sup> Street  
Colorado Springs, CO 80904  
(719) 444-0770 (800) 480-0770 Toll Free  
(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
MMR Investment Bankers, Inc.

We have audited the accompanying statement of financial condition of MMR Investment Bankers, Inc., (the Company) as of December 31, 2001 and December 31, 2000, and the related statements of income, changes in stockholders' equity, and cash flows for the years 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of MMR Investment Bankers, Inc., as of December 31, 2001 and December 31, 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information 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 and 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.

Rickords & Associates, P.C.  
February 18, 2002

*Rickords & Associates, P.C.*  
*Rickords & Associates, P.C.*

**FINANCIAL STATEMENTS**

MMR INVESTMENT BANKERS, INC.

Statement of Financial Condition  
December 31, 2001 and 2000

ASSETS

	<u>2001</u>	<u>2000</u>
Current Assets:		
Cash and equivalents	\$ 27,327	\$ 18,274
Accounts receivable - trade	33,793	53,170
Employee receivable	<u>00</u>	<u>1,000</u>
Total current assets	<u>61,120</u>	<u>72,444</u>
Furniture and equipment	181,846	181,846
Less accumulated depreciation	<u>(178,962)</u>	<u>(174,884)</u>
Net furniture and equipment	<u>2,884</u>	<u>6,962</u>
Total assets	<u>\$ 64,004</u>	<u>\$ 79,406</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	\$ 17,842	\$ 17,452
Payable to registered representatives	5,865	2,171
Payroll taxes payable	<u>7,294</u>	<u>00</u>
Total current liabilities- not subordinated	<u>31,001</u>	<u>19,623</u>
Stockholders' equity:		
Common stock (150,000 shares authorized, \$1 par, 115,000 shares issued and outstanding)	115,000	115,000
Retained earnings (deficit)	<u>(81,997)</u>	<u>(55,217)</u>
Total stockholders' equity	<u>33,003</u>	<u>59,783</u>
Total liabilities and stockholders' equity	<u>\$ 64,004</u>	<u>\$ 79,406</u>

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

MMR INVESTMENT BANKERS, INC.  
Statement of Income and Retained Earnings  
For the Years Ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Income from Operations:		
Underwriting and Concessions	\$186,958	\$327,503
Consulting	173,424	188,451
Miscellaneous fees and income	<u>108,917</u>	<u>73,625</u>
Total income	<u>469,299</u>	<u>589,579</u>
Operating Expenses:		
Commissions	117,419	152,134
Salaries	199,086	233,972
Employee benefits	27,378	32,043
Travel, entertainment, education and training	23,014	17,585
Bank charges	1,132	909
Insurance and bonds	10,216	8,315
Office supplies, maintenance and repairs	2,196	4,770
Advertising	00	10
Printing and publications	7,936	9,214
Postage and freight	3,225	6,107
Telephone	13,361	17,363
Accounting, auditing and legal	18,208	11,200
Data processing	2,085	1,057
Business registration, licenses and fees	10,845	10,498
Depreciation	4,078	6,500
Taxes	22,060	28,444
Leases and related expense	21,033	46,428
Membership and dues	2,545	3,411
Meetings	5,608	00
Miscellaneous	<u>5,296</u>	<u>5,426</u>
Total Operating Expenses	<u>496,721</u>	<u>595,386</u>
Net Operating Income (Loss)	(27,422)	(5,807)
Interest income	<u>642</u>	<u>0</u>
Net Income (Loss)	(26,780)	(5,807)
Retained Earnings (deficit)		
Beginning of Year	(55,217)	(49,410)
Retained Earnings (deficit)		
End of Year	<u>\$ (81,997)</u>	<u>\$ (55,217)</u>
Income (Loss) per share	<u>\$ (.23)</u>	<u>\$ (.05)</u>

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

MMR INVESTMENT BANKERS, INC.  
Statement of Cash Flows  
December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Cash Flows from Operating Activities:		
Cash received from clients	\$448,922	\$ 558,018
Cash paid to employees, suppliers for services	<u>(439,869)</u>	<u>(586,834)</u>
Net Cash used in Operating Activities	<u>9,053</u>	<u>(28,816)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,053	(28,816)
Cash and Cash Equivalents at Beginning of Year	<u>18,274</u>	<u>47,090</u>
Cash and Equivalents at End of Year	<u>\$ 27,327</u>	<u>\$ 18,274</u>

RECONCILIATION OF NET OPERATING INCOME  
TO NET CASH FROM OPERATING ACTIVITIES

Net Income (Loss)	\$(26,780)	\$ (5,807)
Adjustment to Reconcile Net Income to Net Cash Used by Operating Activities:		
Depreciation	4,078	6,500
Changes in assets and liabilities		
Decrease/(Increase) in accounts receivable	20,377	(32,562)
Increase/(Decrease) in accounts payable and accrued expenses	<u>11,378</u>	<u>3,053</u>
Total Adjustments	<u>35,833</u>	<u>(23,009)</u>
Net Cash from Operating Activities	<u>\$ 9,053</u>	<u>\$ (28,816)</u>

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

MMR INVESTMENT BANKERS, INC.

Statement of Changes in Stockholders' Equity  
For the years ended December 31, 2001 and 2000

	Common <u>Stock</u>	Retained Earnings <u>(Deficit)</u>	<u>Total</u>
Balance, December 31, 1999	\$115,000	\$(49,410)	\$65,590
Net loss, December 31, 2000	<u>00</u>	<u>(5,807)</u>	<u>(5,807)</u>
Balance, December 31, 2000	115,000	(55,217)	59,783
Net loss, December 31, 2001	<u>00</u>	<u>(26,780)</u>	<u>(26,780)</u>
Balance, December 31, 2001	<u>\$115,000</u>	<u>\$(81,997)</u>	<u>\$33,003</u>

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

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years Ended December 31, 2001 and 2000

(1) Organization and Nature of Business

MMR Investment Bankers, Inc. was chartered by the State of Kansas as a corporation on August 29, 1985. In 2001 the company was registered as a Missouri foreign corporation and conducts business in Missouri. The purpose of the corporation is to carry on a general brokerage and financial business.

In accordance with regulations under the Securities Exchange Act of 1934 the Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of various exchanges and the National Association of Securities Dealers (NASD). This is a self-regulating body formed by the industry to protect its members and the investing public.

(2) Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements include the accounts of the Company. The company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions, agency transactions, investment banking, investment advisory, and venture capital businesses.

b. Securities Transactions

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the company are recorded on a trade-date basis. Customer's securities and commodities transactions are reported on a settlement-date basis with related commission income and expenses reported on a trade-date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

c. Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years ended December 31, 2001 and 2000

d. Statement of Cash Flows

For purposes of the Consolidated Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business.

e. Allowance for Doubtful Accounts

The Company has not established an allowance for doubtful accounts. No receivable is booked until the bond purchaser has remitted the payment to the bond company. The Company's collection is assured at that point. Experience has shown no bad debts.

f. Property and Equipment

Property and equipment are carried at cost. Maintenance and repairs are charged to costs as incurred. Expenditures for major betterments are capitalized. Gain or loss on retirement of property is included in income.

Prior to 1991, Property and Equipment were depreciated on a basis consistent with that used for income tax preparation. Specifically, assets were depreciated over 2 to 7 years on straight-line, accelerated cost recovery system, (ACRS) and modified ACRS (MACRS) as applicable. Assets purchased after December 31, 1991 will be depreciated over 2 to 10 years on the straight-line basis in order to conform to generally accepted principles. Depreciation for 2001 and 2000 was charged as follows:

	<u>2001</u>	<u>2000</u>
Furniture	\$ 76	\$ 350
Data processing equipment	1,262	2,443
Leasehold improvements	2,027	2,974
Office equipment	<u>713</u>	<u>733</u>
Total	<u>\$4,078</u>	<u>\$6,500</u>

g. Compensated Absences

The company has a policy of two weeks paid vacation and sick leave per salaried employee per year as deemed reasonable. No amounts may be carried over to a subsequent year. No compensated absences have been accrued pursuant to this policy.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years Ended December 31, 2001 and 2000

h. Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income.

i. Estimates

There are no significant estimates used in preparation of financial statements. Depreciation is the only estimate present.

(3) Liabilities Subordinated to Claims of General Creditors

There were no borrowings under subordination agreements at December 31, 2001.

The Company had no other debt at December 31, 2001.

(4) Capital Stock

A summary of the corporation's capital stock at December 31, 2001 is as follows:

Common stock -- \$1.00 per value  
Authorized -- 150,000 shares  
Issued and outstanding -- 115,000 shares

(5) Lease Commitments

Operating lease for copying equipment. The lease term is five years beginning November 15, 1999. The rental agreement states that the lessee is allowed to cancel the agreement at any time for non-funding purposes or non-performance of machine and/or lessor.

Lease payments are \$450 a month for sixty months.

Future minimum rental payments are as follows:

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years ended December 31, 2001 and 2000

<u>Year</u>	<u>Amount</u>
2002	\$5,400
2003	\$5,400
2004	\$4,950

(6) Defined Contribution Pension Plan

The Company has established a salary reduction Simplified Employee Pension (SARSEP). The SARSEP may be funded through elective deferral of employee salaries and discretionary employer contributions. The total amount of salary reductions during 2001 and 2000 were \$37,857 and \$49,658, respectively. The company made no employer contributions during 2001 and 2000.

(7) Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital. At December 31, 2001 the Company had net capital of \$30,119 which was \$25,119 in excess of its required net capital of \$5,000.

At December 31, 2000, the Company had net capital of \$51,821 which was \$46,821 in excess of its required net capital of \$5,000.

(8) Financial Instruments

The Company maintains two bank accounts at the same financial institution. The balances are \$27,253.96 and \$38.45. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2001, there was no credit risk.

(9) Earnings (loss) per Share

Earnings (loss) per share of common stock is computed by dividing net income (loss) by the number of common shares outstanding for the year.

(10) Risk

- a. Cash--bank balances are below the amount covered by FDIC insurance and employees are bonded.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years Ended December 31, 2001 and 2000

- b. The company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

**SUPPLEMENTARY INFORMATION**

# FOCUS REPORT

(5-31-87)

(Financial and Operational Combined Uniform Single Report)

## FORM X-17A-5

### PART IIA 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

MMR Investment Bankers, Inc.

SEC FILE NO.

8-34906

FIRM ID. NO.

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/01

AND ENDING (MM/DD/YY)

12/31/01

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

215 W. Walnut, Drawer A

(No. and Street)

Nevada

MO

64772-0930

(City)

(State)

(Zip Code)

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

William G. Martin, Jr.

(Area Code)—Telephone No.

417-549-6100

(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 24 day of JAN ~~19~~ 2002  
Manual signatures of:

- 1) Wm S Martin  
Principal Executive Officer or Managing Partner
- 2) Wm S Martin  
Principal Financial Officer or Partner
- 3) Wm S Martin  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER **MMR Investment Bankers, Inc.**

**N 3**

100

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12/31/01 99  
 SEC FILE NO. 8-34906 98  
 Consolidated   198  
 Unconsolidated   199

**ASSETS**

Allowable

Non-Allowable

Total

	\$ <u>27,327</u>	<span style="border: 1px solid black; padding: 2px;">200</span>		\$ <u>27,327</u>	<span style="border: 1px solid black; padding: 2px;">750</span>
1. Cash .....					
2. Receivables from brokers or dealers:					
A. Clearance account .....		<span style="border: 1px solid black; padding: 2px;">295</span>			
B. Other .....	<u>33,793</u>	<span style="border: 1px solid black; padding: 2px;">300</span>	\$ <u>550</u>	<u>33,793</u>	<span style="border: 1px solid black; padding: 2px;">810</span>
3. Receivables from non-customers .....		<span style="border: 1px solid black; padding: 2px;">355</span>	\$ <u>600</u>		<span style="border: 1px solid black; padding: 2px;">830</span>
4. Securities and spot commodities					
owned, at market value:					
A. Exempted securities .....		<span style="border: 1px solid black; padding: 2px;">418</span>			
B. Debt securities .....		<span style="border: 1px solid black; padding: 2px;">419</span>			
C. Options .....		<span style="border: 1px solid black; padding: 2px;">420</span>			
D. Other securities .....		<span style="border: 1px solid black; padding: 2px;">424</span>			
E. Spot commodities .....		<span style="border: 1px solid black; padding: 2px;">430</span>			<span style="border: 1px solid black; padding: 2px;">850</span>
5. Securities and/or other investments					
not readily marketable:					
A. At cost, \$ <u>130</u>					
B. At estimated fair value .....		<span style="border: 1px solid black; padding: 2px;">440</span>	<u>610</u>		<span style="border: 1px solid black; padding: 2px;">860</span>
6. Securities borrowed under subordination agree-					
ments and partners' individual and capital					
securities accounts, at market value:		<span style="border: 1px solid black; padding: 2px;">460</span>	<u>630</u>		<span style="border: 1px solid black; padding: 2px;">880</span>
A. Exempted securities \$ <u>150</u>					
B. Other securities \$ <u>160</u>					
7. Secured demand notes: .....		<span style="border: 1px solid black; padding: 2px;">470</span>	<u>640</u>		<span style="border: 1px solid black; padding: 2px;">890</span>
market value of collateral:					
A. Exempted securities \$ <u>170</u>					
B. Other securities \$ <u>180</u>					
8. Memberships in exchanges:					
A. Owned, at market \$ <u>190</u>					
B. Owned, at cost .....			<u>650</u>		
C. Contributed for use of the company,					
at market value .....			<u>660</u>		<span style="border: 1px solid black; padding: 2px;">900</span>
9. Investment in and receivables from					
affiliates, subsidiaries and					
associated partnerships .....		<span style="border: 1px solid black; padding: 2px;">480</span>	<u>670</u>		<span style="border: 1px solid black; padding: 2px;">910</span>
10. Property, furniture, equipment,					
leasehold improvements and rights					
under lease agreements, at cost-net					
of accumulated depreciation		<span style="border: 1px solid black; padding: 2px;">490</span>	<u>2,884</u>	<u>2,884</u>	<span style="border: 1px solid black; padding: 2px;">920</span>
and amortization .....		<span style="border: 1px solid black; padding: 2px;">535</span>	<u>735</u>		<span style="border: 1px solid black; padding: 2px;">930</span>
Other assets .....					<span style="border: 1px solid black; padding: 2px;">940</span>
12. <b>TOTAL ASSETS</b> .....	<b>\$ <u>61,120</u></b>	<b><span style="border: 1px solid black; padding: 2px;">540</span></b>	<b>\$ <u>2,884</u></b>	<b><span style="border: 1px solid black; padding: 2px;">740</span></b>	<b>\$ <u>64,004</u></b>

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

OKER OR DEALER **MMR Investment Bankers, Inc.**

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
4. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
5. Payable to non-customers.....	1155	1355	1610
6. Securities sold not yet purchased, at market value.....		1360	1620
7. Accounts payable, accrued liabilities, expenses and other.....	31,001	1205	31,001
Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$.....	970		1710
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	980		
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$.....	990		
C. Pursuant to secured demand note collateral agreements:.....		1420	1730
1. from outsider: \$.....	1000		
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	1010		
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
<b>TOTAL LIABILITIES</b> .....	\$ 31,001	\$ 1230	\$ 31,001
		\$ 1450	\$ 1760

**Ownership Equity**

1. Sole proprietorship.....		\$ 1770
2. Partnership (limited partners.....)	\$ 1020	\$ 1780
Corporation:		
A. Preferred stock.....		1791
B. Common stock.....	115,000	1792
C. Additional paid-in capital.....		1793
D. Retained earnings.....	(81,997)	1794
E. Total.....		1795
F. Less capital stock in treasury.....		1796
<b>TOTAL OWNERSHIP EQUITY</b> .....		\$ 33,003
<b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b> .....		\$ 64,004

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BOOKER OR DEALER

MMR Investment Bankers, Inc.

as of 12/31/01

**COMPUTATION OF NET CAPITAL**

Total ownership equity from Statement of Financial Condition.....	\$	33,003	3480
Deduct ownership equity not allowable for Net Capital.....	▼		3490
Total ownership equity qualified for Net Capital.....		33,003	3500
Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			3520
B. Other (deductions) or allowable credits (List).....			3525
Total capital and allowable subordinated liabilities.....	\$	33,003	3530
Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C).....	▼	\$ 2,884	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
Other additions and/or allowable credits (List).....			3630
Net capital before haircuts on securities positions.....	▼	\$ 30,119	3640
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. Exempted securities.....	▼		3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....			3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
Net Capital.....	\$	30,119	3750

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

ROKER OR DEALER

MMR Investment Bankers, Inc.

as of 12/31/01

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	2,066	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	3760
14. Excess net capital (line 10 less 13)	\$	25,119	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	▼ \$	27,018	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	31,001	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)	\$	3820	3830
18. Total aggregate indebtedness	\$	31,001	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	103	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	▼ \$	3880
24. Net capital requirement (greater of line 22 or 23)	\$	3760
25. Excess net capital (line 10 less 24)	\$	3910
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$	3920

OMIT, PENNIES

**NOTES:**

- A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**ROKER OR DEALER** MMR Investment Bankers, Inc.

For the period (MMDDYY) from 01/01/01 3932 to 12/31/01 3933  
 Number of months included in this statement 12 3931

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

<b>1. Commissions:</b>		
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 .....		3940
<b>Gains or losses on firm securities trading accounts</b>		
a. From market making in options on a national securities exchange .....		3945
b. From all other trading .....		3949
c. Total gain (loss) .....		3950
<b>5. Gains or losses on firm securities investment accounts .....</b>		<b>3952</b>
<b>6. Profit (loss) from underwriting and selling groups .....</b>	▼	<b>186,958</b>
Revenue from sale of investment company shares .....		3970
Commodities revenue .....		3990
<b>7. Fees for account supervision, investment advisory and administrative services .....</b>		<b>197,856</b>
Other revenue .....		85,126
<b>Total revenue .....</b>	\$	<b>469,940</b>

**EXPENSES**

<b>0. Salaries and other employment costs for general partners and voting stockholder officers .....</b>	\$	<b>53,067</b>	<b>4120</b>
Other employee compensation and benefits .....	▼	295,346	4115
Commissions paid to other broker-dealers .....			4140
<b>5. Interest expense .....</b>		<b>287</b>	<b>4075</b>
a. Includes interest on accounts subject to subordination agreements .....		4070	
Regulatory fees and expenses .....		9,795	4195
Other expenses .....		138,225	4100
<b>Total expenses .....</b>	\$	<b>496,720</b>	<b>4200</b>

**INCOME**

<b>7. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....</b>	\$	<b>(26,780)</b>	<b>4210</b>
Provision for Federal income taxes (for parent only) .....	▼		4220
<b>Equity in earnings (losses) of unconsolidated subsidiaries not included above .....</b>			<b>4222</b>
a. After Federal income taxes of .....		4238	
Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	
Cumulative effect of changes in accounting principles .....			4225
<b>Net income (loss) after Federal income taxes and extraordinary items .....</b>	\$	<b>(26,780)</b>	<b>4230</b>

**MONTHLY INCOME**

Income (current month only) before provision for Federal income taxes and extraordinary items .....	\$	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

ROKER OR DEALER      MMR Investment Bankers, Inc.

For the period (MMDDYY) from 01/01/01 to 12/31/01

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

i. Balance, beginning of period .....	\$	59,783	4240
A. Net income (loss) .....		(26,780)	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) .....	\$	33,003	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period .....	\$	00	4300
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (From item 3520) .....	\$	00	4330

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**      MMR Investment Bankers, Inc.

as of 12/31/01

**Exemptive Provision Under Rule 15c3-3**

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

- A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 ..... 4550
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 4335 ..... 4570
- D. (k) (3)—Exempted by order of the Commission ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.**

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)					
4600		4601		4602		4603		4604		4605
4610		4611		4612		4613		4614		4615
4620		4621		4622		4623		4624		4625
4630		4631		4632		4633		4634		4635
4640		4641		4642		4643		4644		4645
4650		4651		4652		4653		4654		4655
4660		4661		4662		4663		4664		4665
4670		4671		4672		4673		4674		4675
4680		4681		4682		4683		4684		4685
4690		4691		4692		4693		4694		4695
TOTAL \$ <span style="float: right;">none</span>						4699				

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

Rickords & Associates, P.C.

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report				
Name (If individual, state last, first, middle name)				
617 N. 17TH STREET, SUITE 100 COLORADO SPRINGS				
ADDRESS	Number and Street	City	State	Zip Code
			CO 70	80904
			71	72
			73	74

Check One

- Certified Public Accountant 75
- Public Accountant 76
- Accountant not resident in United States or any of its possessions 77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

MMR INVESTMENT BANKERS, INC.

Computation for Determination of Reserve  
Requirements in accordance with Rule 15c3-3

and

Reconciliation of Computation of Reserve  
Requirements pursuant to Rule 17a5(d) (4)

and

Information Relating to the Possession or  
Control Requirements under Rule 15c3-3

Under the Securities Exchange Act of 1934

December 31, 2001

Under Rule 15c3-3(k)(2)(B) MMR Investment Bankers, Inc. is exempt from a computation for determination of Reserve Requirements as required under 15c3-3 the respective Reconciliation of Computation for determination of Reserve Requirements as required under Rule 17a-(d)(4) and information related to the possession or control required under Rule 15c3-3.

MMR INVESTMENT BANKERS, INC.

Computation of Aggregate indebtedness and net capital in accordance with Rule 15c3-1 under the Securities Exchange Act of 1934.

December 31, 2001

Aggregate indebtedness

Accrued expense \$31,001

Total aggregate indebtedness \$31,001

Net capital:

Credit items:

Total ownership equity \$33,003

Total credit items \$33,003

Total deductions and charges \$(2,884)

Net Capital \$30,119

Capital requirements:

Required capital \$ 5,000

Net capital in excess of requirements 25,119

Net capital \$30,119

Ratio of aggregate indebtedness to net capital 1.03 to 1

There were no liabilities subordinated to claims of general creditors.

MMR INVESTMENT BANKERS, INC.

Reconciliation of Net Capital Pursuant to Rule 15c3-1  
Under the Securities Exchange Act of 1934

December 31, 2001

Computation of Net Capital:

Net capital as reported on 17a-5(a) (Focus Report) as of December 31, 2001	<u>\$ 30,119</u>
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There were no adjustment that affected net capital.



RICKORDS & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

617 North 17<sup>th</sup> Street  
Colorado Springs, CO 80904  
(719) 444-0770 (800) 480-0770 Toll Free  
(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

Accountants' Report of Material Inadequacies

Our examination of the basic financial statements presented in the preceding section of this report was made in accordance with Rule 17a-5(j). In our opinion, no material inadequacies were found to exist in the accounting system and procedures or the system for handling and safeguarding customers' securities during the years ended December 31, 2001 and 2000.

*Rickords & Associates, P.C.*  
*Rickords & Associates, P.C.*

February 18, 2002



Board of Directors  
MMR Investment Bankers, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of MMR Investment Bankers, Inc., (the Company) for the year ended December 31, 2001, we considered its internal control structure, including procedure for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

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 (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive 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 an internal control structure 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 internal control structure policies and procedures, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be

be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure 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 accordance 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 any internal control structure or the practices and procedures referred to above, errors or irregularities 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 the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, including procedures 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

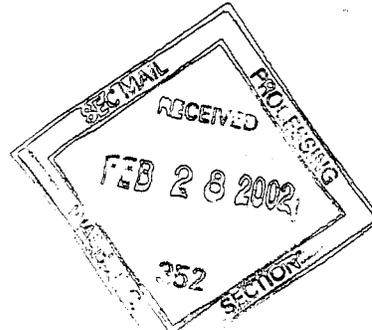
Board of Directors  
February 18, 2002  
Page 3

practices and procedures were adequate at December 31, 2001 to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, National Association of Securities Dealers, Inc. (NASD), 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 should not be used for any other purposes.

*Rickords & Associates, P.C.*  
*Rickords & Associates, P.C.*

Rickords & Associates, P.C.  
February 18, 2002



MMR INVESTMENT BANKERS, INC.

Accountants' Report and Financial Statements

FORM X-17a-5  
FOCUS REPORT

Years Ended December 31, 2001 and 2000