

SEC



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

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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:

Mille Capital Securities Corporation NY

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

135 East 57th Street, 11th Floor

(No. and Street)

OFFICIAL USE ONLY  
FIRM ID. NO.

New York

NY

10022

(City)

(State)

(Zip Code)

PROCESSED  
MAR 21 2002

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

Alexa Willson

(212)-758-0607

(Area Code- Telephone Number)

THOMSON FINANCIAL  
RECEIVED  
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167  
SECTION

B. ACCOUNTANT IDENTIFICATION

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

Goldstein Golub Kessler, LLP

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

1185 Avenue of the Americas

New York

NY

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

3/20/02  
RC  
P  
NP

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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).

SEC 1410 (3-91)

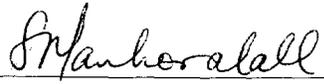
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OATH OR AFFIRMATION

I, Alexa Willson swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mille Capital Securities Corporation, 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:

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

  
\_\_\_\_\_  
President Signature  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Notary Public

SHANTA MANHORALALL  
Notary Public, State of New York  
No. 01MA5019273  
Qualified in Queens County  
Commission Expires Oct. 18, 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).



# GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of  
Mille Capital Securities Corporation

We have audited the accompanying statement of financial condition of Mille Capital Securities Corporation as of December 31, 2001. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Mille Capital Securities Corporation as of December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

  
GOLDSTEIN GOLUB KESSLER LLP

February 25, 2002

# MILLE CAPITAL SECURITIES CORPORATION

## STATEMENT OF FINANCIAL CONDITION

December 31, 2001

### ASSETS

Cash	\$42,517
Accounts Receivable	44,000
<b>Total Assets</b>	<b>\$86,517</b>

### LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities - accrued expenses	\$ 9,717
Shareholder's Equity:	
Common stock - \$1 par value; authorized 500 shares, issued and outstanding 110 shares	110
Additional paid-in capital	25,390
Retained earnings	51,300
<b>Total shareholder's equity</b>	<b>76,800</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$86,517</b>

See Notes to Statement of Financial Condition

# MILLE CAPITAL SECURITIES CORPORATION

## NOTES TO STATEMENT OF FINANCIAL CONDITION

December 31, 2001

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- 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:**

Mille Capital Securities Corporation (the "Company") is a broker-dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. (the "NASD").

The Company recognizes fee income for advisory services provided to clients. Advisory services are on a contractual basis, with the fee stipulated in the contract, and revenue is recognized when services provided are substantially completed.

The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

This financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by the Company's management.
- 2. INCOME TAXES:**

The shareholder of the Company elected that the Company be treated as an S Corporation for federal income tax purposes and as a small business corporation under New York State franchise tax law. As such, the Company is not liable for federal income taxes. The Company is subject to local income taxes and state income taxes at a reduced rate.
- 3. RELATED PARTY TRANSACTIONS:**

The Company has an agreement with a related entity, Mille Capital Corporation ("MCC"), which is 100% owned by the shareholder of the Company, whereby MCC pays all charges incurred by the Company for rent, office supplies, equipment costs and general operating expenses. As compensation for bearing these expenses and providing services to the Company, MCC receives a management fee as of the last day of each fiscal quarter. The fee is calculated using an allocation based upon predetermined percentages for services attributable to the Company. The agreement will remain in full force and effect unless changed by both parties.
- 4. CONCENTRATION OF CLIENTS:**

During the year ended December 31, 2001, the Company's revenue is from advisory services provided to one client.
- 5. NET CAPITAL REQUIREMENT:**

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or \$5,000, whichever is greater. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2001, the Company had net capital of \$32,800, which exceeded the requirement by \$27,800.

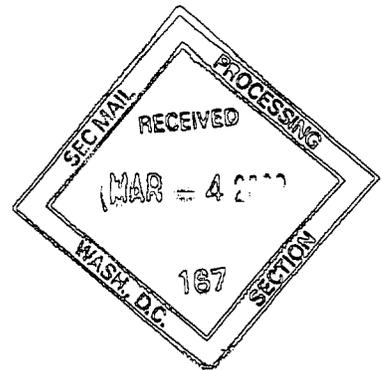


**MILLE CAPITAL SECURITIES CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2001**

**GOLDSTEIN GOLUB KESSLER LLP**  
Certified Public Accountants and Consultants

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**MILLE CAPITAL SECURITIES CORPORATION**

**INDEPENDENT AUDITOR'S  
SUPPLEMENTARY REPORT ON  
INTERNAL CONTROL**

**DECEMBER 31, 2001**

**GOLDSTEIN GOLUB KESSLER LLP**

Certified Public Accountants and Consultants



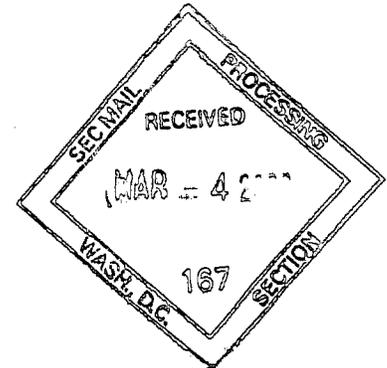


# GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



## INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT ON INTERNAL CONTROL



To the Shareholder of  
Mille Capital Securities Corporation

In planning and performing our audit of the financial statements and supplemental schedule of Mille Capital Securities Corporation (the "Company") for the year then ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose 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 (the "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 and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3. Because the Company does not carry securities 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 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 the 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.

1185 Avenue of the Americas Suite 500 New York, NY 10036-2602  
TEL 212 372 1800 FAX 212 372 1801 www.ggk.com

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Because of inherent limitations in 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 recognizes that it is not practicable in an organization the size of Mille Capital Securities Corporation to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., and other regulatory agencies which rely on rule 17a-5(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.

  
GOLDSTEIN GOLUB KESSLER LLP

February 25, 2002