



02018388

SECURITIES ...SSION

Washington, D.C. 20549

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

SEC FILE NUMBER
 8-49249

**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**

FEB 28 2002

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:

Asset Management Strategies, LLC

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

55 Lewis Street Suite 4

Greenwich

(No. and Street)

CT

06830

(City)

(State)

(Zip Code)

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

Cathy YANCE Finn

203 622-4222

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

John P. Comparato, CPA

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

207 Hallock Road Suite 208, Stony Brook, NY 11790

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

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

PROCESSED

MAR 14 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).

Handwritten initials/signature

OATH OR AFFIRMATION

I, Cathy Vance - Finn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Asset Management Strategies, LLC, as of December 31, 19 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:

Cathy Vance Finn
Signature

Title

Frank A. Arena

Notary Public
Frank A. Arena
Notary Public of Connecticut
My Commission Expires 12/31/2005

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).

ASSET MANAGEMENT STRATEGIES LLC
REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2001

ASSET MANAGEMENT STRATEGIES LLC

INDEX

DECEMBER 31, 2001

Independent Auditors' Report	1
Financial Statements	
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Members' Capital	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Computation of Net Capital pursuant to Rule 15c3-1	7
Independent Auditors' Report on Internal Accounting Control Required by See Rule 17a-5	8-9

ASSET MANAGEMENT STRATEGIES LLC

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2001

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 16,167
Marketable Securities Owned, At Market Value	299,483
Due From Clearing Broker	3

315,653

FIXED ASSETS

Net of Accumulated Depreciation of \$1177	3,082
---	-------

OTHER ASSETS

900

TOTAL ASSETS

\$ 319,635
=====

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 13,300
Payroll Taxes Payable	2,537

15,837

MEMBERS' CAPITAL

303,798

TOTAL LIABILITIES AND MEMBERS' CAPITAL

\$ 319,635
=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ASSET MANAGEMENT STRATEGIES LLC

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001

REVENUE	
Commissions	\$ 327,708
Interest Income	13,490
Other Income	13,797

	354,995

EXPENSES	
Employee Compensation and Benefits	176,906
Professional Fees	20,575
Consulting Fees	39,468
Research Expense	19,375
Clearing Costs	34,567
Occupancy Cost	30,743
Regulatory Expense	14,571
Office Expense	5,142
Interest Expense	14,100
Other Expense	19,281

TOTAL EXPENSES	374,728

NET INCOME <LOSS>	\$ <19,733>
	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ASSET MANAGEMENT STRATEGIES LLC

STATEMENT OF CHANGES IN MEMBERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2001

Balance, January 1, 2001	\$ 329,214
Net Income <Loss>	<19,733>
Members' Distributions	<5,683>

Balance, December 31, 2001	\$ 303,798
	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ASSET MANAGEMENT STRATEGIES LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss \$ <19,733>

Adjustments to reconcile net income to

Net cash used by operation activities:

Depreciation 830

Changes in Operating Assets and Liabilities:

Decrease in Marketable Securities Owned 5,017

Decrease in Due From Clearing Broker 18,22

Decrease in Accrued Interest Receivable 9,56

Increase in Accounts Payable and Accrued Expenses 5,100

Increase in Payroll Taxes Payable 2,537

NET CASH USED BY OPERATING ACTIVITIES

21,537

FINANCIAL ACTIVITIES

Members' Distributions <5,683>

NET INCREASE IN CASH

15,854

CASH AT BEGINNING OF PERIOD

313

CASH AT END OF PERIOD

\$ 16,167

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

NOTE 1 -- ORGANIZATION AND NATURE OF BUSINESS

Asset Management Strategies LLC(the "Company") is registered as a broker and dealer in securities under the Securities Exchange Act of 1934.

The Company clears all securities transactions through its clearing broker on a fully-disclosed basis, and consequently operates under the exemptive provisions of SEC Rule 15c3-3 (k)(2)(ii).

The following is a summary of significant accounting policies followed by the company

a) Accounting Method

Assets, liabilities, income and expenses are recorded using the accrual basis of accounting.

b) Depreciation and Amortization

Fixed Assets are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

NOTE 2 --NET CAPITAL REQUIREMENTS

The company is subject to the securities and exchange commission's uniform net capital rule (rule 15c-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined shall not exceed 15 to 1. At December 31, 2001, the Company had net capital of \$299,816, which was \$294,816 in excess of the amount required.

NOTE 3 --INCOME TAXES

The Company has elected to be taxed as a Limited Liability Corporation, in which income and losses flow through directly to the shareholders. No provision for Federal and State Corporation taxes has been made.

NOTE 4 -- FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK

As a securities broker dealer, the Company is engaged in various trading and brokerage activities on a principal and agency basis. The Company's exposure to the credit risk occurs in the event that the customer, clearing agent or counterpart do not fulfill their obligations of the transaction.

**COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2001**

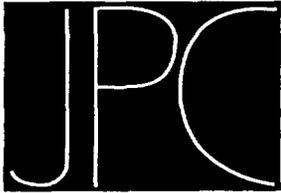
NET CAPITAL	
Total Ownership Equity	\$ 303,798
Add:	
Liabilities Subordinated to Claims of General Creditors Allowable in Computation of Net Capital	0
Other (Deductions) or Allowable Credits	0

Total Capital and Allowable Subordinated Liabilities	303,798
Deductions and /or Charges:	
Non-allowable Assets	<3,982>

Net Capital Before Haircuts on Securities Positions	299,816
Haircuts on Securities Positions	--

Net Capital	\$ 299,816
	=====
AGGREGATE INDEBTEDNESS	\$ 15,837
	=====
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum Net Capital Required	\$ 5,000
	=====
Ratio: Aggregate Indebtedness to Net Capital	.05 to 1
	=====

There is no difference between this audited computation of net capital and that included in the Company's unaudited December 31, 2001 Focus PartIIA filing.



JOHN P. COMPARATO C.P.A., P.C.

207 Hallock Road ■ Stony Brook, NY 11790
631.689.0400 ■ 631.689.0181 Fax

INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL

To The Managing Members
Asset Management Strategies LLC

We have examined the financial statements of Asset Management Strategies LLC for the year ended December 31, 2001 and have issued our report therein dated February 21, 2002. As part of our examination, we made a study and evaluation of the Company's system of internal accounting control (which includes the procedures for safeguarding securities) to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-13 (a) (11) and the procedures for determining compliance with the exemptive provisions of Rule 15c 3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures and practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the

Commission's above-mentioned objectives. The objectives of a system 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 the unauthorized use of 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 accounting control procedures or the practices and procedures referred to above, errors of irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of them to future period is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Asset Management Strategies LLC as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 Commission's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission and should not be any used for other purpose.

John I. Compert