



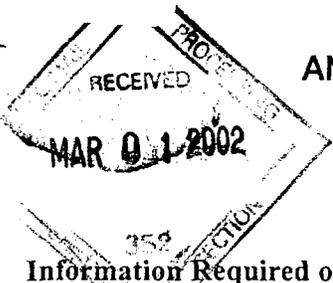
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

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

SEC FILE NUMBER
8- 49436

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:

SWH Securites, Inc.

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

Two University Plaza

(No. and Street)

OFFICIAL USE ONLY
FIRM ID. NO.

Hackensack NJ 07601
(City) (State) (Zip Code)

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

Sanford S. Herrick

(201) 343-1523

(Area Code- Telephone Number)

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 10036-2602
(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 20 2002

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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).

SEC 1410 (3-91)

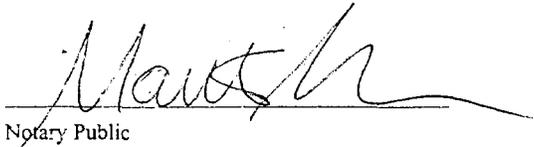
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3/14/2002

OATH OR AFFIRMATION

I, Sanford S. Herrick swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SWH Securities, Inc. 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:

Sanford S. Herrick
President
Signature
Title


Notary Public

MARTHA MINERVINI
A Notary Public of New Jersey
My Commission Expires 10/05/2005

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 Stockholders of
SWH Securities, Inc.

We have audited the accompanying statement of financial condition of SWH Securities, Inc. 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 SWH Securities, Inc. as of December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP
GOLDSTEIN GOLUB KESSLER LLP

February 11, 2002

SWH SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2001

ASSETS

Cash	\$26,134
Other Assets	4,104
Total Assets	\$30,238

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities - accrued expenses	\$ 8,327
Stockholders' Equity:	
Common stock - no par value; authorized, issued and outstanding 2,500 shares	250
Paid-in capital	8,750
Retained earnings	12,911
Total stockholders' equity	21,911
Total Liabilities and Stockholders' Equity	\$30,238

See Notes to Statement of Financial Condition

SWH SECURITIES, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2001

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- 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:**

SWH Securities, Inc. (the "Company") is an introducing broker registered with the Securities and Exchange Commission (the "SEC") and is a member of the National Association of Securities Dealers, Inc.

This financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America which require the use of estimates by the Company's management.

The Company has elected to be treated as an S Corporation for federal and state income tax purposes. Accordingly, there is no provision for federal income taxes as such earnings will flow through directly to the stockholders, and New Jersey corporate taxes are payable at reduced rates.
 - 2. RELATED PARTY TRANSACTIONS:**

The Company places investors with a related party for which it earns a placement fee. This fee represents all of the Company's revenue. Office space and certain administrative functions are provided by an affiliated entity at no cost to the Company.
 - 3. NET CAPITAL REQUIREMENT:**

As a registered broker-dealer, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1. The rule requires that the Company maintain minimum net capital, as defined, of \$5,000 or 6-2/3% of aggregate indebtedness, as defined, whichever is greater. Net capital changes from day to day, but at December 31, 2001, the Company had net capital of \$17,807, which exceeded its requirement of \$5,000 by \$12,807.
 - 4. SUBSEQUENT EVENT:**

Subsequent to the year ended December 31, 2001, the Company made a distribution of retained earnings in the amount of \$4,800.