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

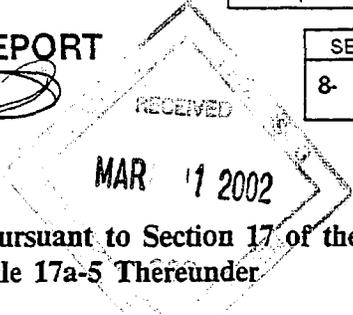
ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

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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:

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

OFFICIAL USE ONLY
FIRM ID. NO.

PROCESSED

MAR 26 2002

THOMSON
FINANCIAL

ONE WASHINGTON MALL
(No. and Street)
BOSTON MASSACHUSETTS 02108
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
ANDREW M. STREISFELD 617-367-5700
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GREEN & GREEN, LLC
(Name - if individual, state last, first, middle name)
725 CANTON STREET NORWOOD MASSACHUSETTS 02062
(Address) (City) (State) (Zip Code)

CHECK ONE:

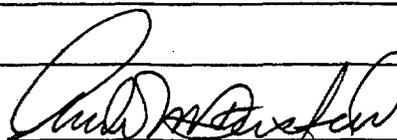
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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, ANDREW M. STREISFELD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of STOCKCROSS, 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:



Signature

CHIEF EXECUTIVE OFFICER

Title



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).

STOCKCROSS, INC.
FORM X-17A-5 - PART II
OF THE
SECURITIES AND EXCHANGE COMMISSION FOCUS REPORT

YEAR ENDED DECEMBER 31, 2001

CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1
Statements of Financial Condition	2 - 5
Notes to Statements Financial Condition	6 - 9



GREEN & GREEN, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors and Stockholders of
STOCKCROSS, INC.

We have audited the accompanying statement of financial condition of StockCross, Inc. as of December 31, 2001 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. The 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 generally accepted auditing standards of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of StockCross, Inc. as of December 31, 2001 in conformity with generally accepted accounting principles of the United States of America.

Green & Green, LLC

Certified Public Accountants
Norwood, Massachusetts

February 11, 2002

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

BROKER OR DEALER STOCKCROSS INC	N	2			100
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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 12/31/01 99

SEC FILE NO. 8-17758 98

Consolidated 198

Unconsolidated 199

	<u>ASSETS</u>		
	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 1,115,398 200		\$ 1,115,398 750
2. Cash segregated in compliance with federal and other regulations	1,372,904 210		1,372,904 760
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements"	220		
2. Other	230		770
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements"	478,000 240		
2. Other	250		478,000 780
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	260		
2. Other	270		790
D. Clearing Organizations:			
1. Includable in "Formula for Reserve Requirements"	31 280		
2. Other	210,000 290		210,031 800
E. Other	300	\$ 550	810
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts	24,777,832 310		
2. Partly secured accounts	320	560	
3. Unsecured Accounts	330	570	
B. Commodity accounts	330	580	
C. Allowance for doubtful accounts	(335)	(590)	24,777,832 820
5. Receivables from non-customers:			
A. Cash and fully secured accounts	340		
B. Partly secured and unsecured accounts	350	600	830
6. Securities purchased under agreements to resell	360	605	840
7. Securities and spot commodities owned, at market value:			
A. Banker's acceptances, certificates of deposit and commercial paper	18,243,241 370		
B. U.S. and Canadian government obligations	37,608,332 380		
C. State and municipal government obligations	390		
D. Corporate obligations	400		

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER STOCKCROSS INC	as of <u>12/31/01</u>
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STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants	95 410		
F. Options	420		
G. Arbitrage	422		
H. Other securities	424		
I. Spot Commodities	430		
J. Total inventory - includes encumbered securities of ... \$	120		\$ 55,851,668 850
8. Securities owned not readily marketable:			
A. At Cost	130 440	610	860
9. Other investments not readily marketable:			
A. At Cost	140		
B. At estimated fair value	450	620	870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities	150		
B. Other	160 460	630	880
11. Secured demand notes - market value of collateral:			
A. Exempted securities	170		
B. Other	180 470	640	890
12. Memberships in exchanges:			
A. Owned, at market value	35,000 190		
B. Owned at cost		525 650	
C. Contributed for use of company, at market value		660	525 900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization)	490	298,038 680	298,038 920
15. Other Assets:			
A. Dividends and interest receivable	213 500	14 690	
B. Free shipments	510	700	
C. Loans and advances	520	710	
D. Miscellaneous	28,762 530	100,377 720	
E. Collateral accepted under SFAS 140	536		
F. SPE Assets	537		129,366 930
16. TOTAL ASSETS	83,834,808 540	398,954 740	84,233,762 940

The Accompanying Notes are an Integral Part of This Statement of Financial Condition.

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

**BROKER OR DEALER
STOCKCROSS INC**

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities * \$</u>	<u>Non-A.I. Liabilities * \$</u>	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements"	1030	1240	1460
B. Other	1040	1250	1470
18. Securities sold under repurchase agreements.		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements"	1050	1270	443 1490
2. Other	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements"	1070		1510
2. Other	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	1090		1530
2. Other	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	1100		139,924 1550
2. Other	1105	1310	1560
E. Other	1110	1320	1570
20. Payable to customers:			
A. Securities accounts - including free credits of \$ 75,351,379	950 1120		76,606,131 1580
B. Commodities accounts	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts	1140	1340	955,382 1600
B. Commodities accounts	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of \$	960	1360	1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		1630
B. Accounts payable	1170		1640
C. Income taxes payable	1180		1650
D. Deferred income taxes		1370	1660
E. Accrued expenses and other liabilities ..	1190		167,193 1670
F. Other	1200	1380	1680
G. Obligation to return securities		1386	1686
H. SPE Liabilities		1387	1687

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

BROKER OR DEALER
STOCKCROSS INC

as of 12/31/01

**STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)**

	<u>Liabilities</u>	<u>A.I. Liabilities</u> *	<u>Non-A.I. Liabilities</u> *	<u>Total</u>
24. Notes and mortgages payable:				
A. Unsecured	\$	1210		\$ 1690
B. Secured		1211	1390	1700
25. Liabilities subordinated to claims of general creditors:				
A. Cash borrowings:			1400	1710
1. from outsiders \$	0970			
2. Includes equity subordination(15c3-1(d)) of	\$ 0980			
B. Securities borrowings, at market value:			1410	1720
from outsiders \$	0990			
C. Pursuant to secured demand note collateral agreements:			1420	1730
1. from outsiders \$	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
26. TOTAL LIABILITIES	\$	1230	\$ 1450	\$ 77,869,073 1760

Ownership Equity

27. Sole proprietorship				\$ 1770
28. Partnership - limited partners	\$	1020		1780
29. Corporation:				
A. Preferred stock				1791
B. Common stock			8,000	1792
C. Additional paid- in capital			52,000	1793
D. Retained Earnings			6,304,689	1794
E. Total			6,364,689	1795
F. Less capital stock in treasury			()	1796
30. TOTAL OWNERSHIP EQUITY	\$		6,364,689	1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$		84,233,762	1810

STOCKCROSS, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

December 31, 2001

1. ORGANIZATION AND NATURE OF BUSINESS

The Company is a discount broker registered with the Securities and Exchange Commission (SEC) and is a member of the New York Stock Exchange, Inc. and other principal stock exchanges and the National Association of Securities Dealers, Inc.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company is engaged in a single line of business as a discount securities broker performing agency transactions.

Securities Transactions

Customers' securities transactions are recorded on a settlement date basis, generally the next business day for an option transaction, and the third business day following a stock transaction. All other securities transactions are recorded on a trade date basis.

Marketable Securities

Marketable securities are valued at market value.

Securities Borrowed

Securities borrowed are recorded at the amount of cash collateral advanced. Securities-borrowed transactions require the Company to deposit cash, letters of credit, or other collateral with the lender. The Company monitors the market value of securities borrowed with additional collateral obtained or refunded as necessary.

Commissions

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

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, its stockholders are liable for individual federal income taxes on the Company's taxable income. Certain state taxes continue to be provided for at the corporate level.

Depreciation

Depreciation is provided on a straight-line basis using estimated useful lives of three to seven (3 - 7) years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

Exchange Memberships

Exchange memberships are recorded at cost, or if other than a temporary impairment in value has occurred, at a value that reflects management's estimate of the impairment. Management believes that no impairment in value has occurred.

STOCKCROSS, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (Continued)

December 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additional Commission Discounts

The Company's policy is to provide for the expected cost of executing future customer trades resulting from earned but unused commission discounts on certain free credit balances.

Advertising Costs

The Company's policy is to expense advertising costs as incurred.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although actual results could differ from those estimates, management believes that any differences would be immaterial to the financial statements taken as a whole.

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2001 consist of the following:

Furniture and fixtures	\$ 774,709
Leasehold improvements	<u>61,431</u>
	836,140
Less: accumulated depreciation	<u>538,102</u>
	<u>\$ 298,038</u>

Depreciation expense charged to operations for the years ended December 31, 2001 amounted to \$108,726.

4. PROFIT SHARING PLAN

Effective January 1, 2000, the Company adopted a 401(k) profit sharing plan covering substantially all employees. Contributions to the plan are at the discretion of eligible employees. In addition, the Company may make discretionary matching and non-matching contributions. The Company did not make discretionary non-matching contributions for the year ended December 31, 2001.

5. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

The Company enters into various transactions involving off-balance-sheet financial instruments which are used to meet the needs of customers, conduct trading activities, and manage market risks and are therefore subject to varying degrees of market and credit risk.

In the normal course of business, the Company's customer clearance activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

STOCKCROSS, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (Continued)

December 31, 2001

5. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK (Continued)

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company executes and clears customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations.

Receivables from and payable to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables. Such collateral is not reflected in the financial statements.

The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral, or to reduce positions, when necessary.

The Company's customer financing and securities settlement activities require the Company to pledge customer securities as collateral in support of various secured financing sources such as bank loans and broker margin requirements. In the event the counter-party is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its customer obligations. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposure. In addition, the Company establishes credit limits for such activities and monitors compliance on a daily basis.

6. CONCENTRATIONS OF CREDIT RISK

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

7. COMMITMENTS AND CONTINGENCIES

The Company rents office space, computers and other equipment under various operating leases. Rent expense amounted to approximately \$457,500.

The following is a schedule of future annual minimum lease payments for operating leases with initial non-cancelable terms in excess of one year:

2002	\$ 267,000
2003	175,700
2004	47,800
2005	47,800
2006	<u>16,000</u>
	<u>\$ 554,300</u>

STOCKCROSS, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION (Continued)

December 31, 2001

7. COMMITMENTS AND CONTINGENCIES (Continued)

Certain leases contain renewal options and escalation clauses.

8. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit balances arising from customer transactions, as defined.

At December 31, 2001, the Company's net capital of \$5,211,817 was 18.68% of aggregate debit balances. This was \$4,653,835 more than the minimum required net capital of \$557,982.