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

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III
FACING PAGE**

SEC FILE NUMBER
8-25463

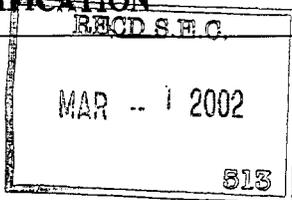
**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

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:

Nathan & Lewis Securities, Inc.
~~170 Madison Avenue~~



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FIRM ID. NO.

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

260 Madison Avenue
(No. and Street)

New York New York 10016
(City) (State) (Zip Code)

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

Sherwood P. Larkin (212) 354-8800
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP
(Name - if individual, state last, first, middle name)

Two World Financial Center New York New York 10281-1414
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
MAY 23 2002
THOMSON FINANCIAL

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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).

NATHAN & LEWIS SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2001

ASSETS

Cash and cash equivalents	\$ 1,887,499
Cash and securities segregated pursuant to Federal regulations	2,658,811
Commissions receivable	6,395,887
Receivable from brokers, mutual funds and clearing organizations	1,234,216
Securities owned, at market value	10,813,862
Fixed assets, at cost, net of accumulated depreciation and amortization of \$6,319,840	2,820,088
Prepaid expenses	512,569
Receivable from affiliates	45,846
Goodwill, net of accumulated amortization of \$8,616,600	14,881,400
Other assets	<u>2,738,133</u>
	<u>\$43,988,311</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES:

Commissions payable	\$ 8,498,113
Due to Parent and affiliates	4,020,052
Due to customers	382,526
Securities sold but not yet purchased, at market value	148,411
Payable to brokers and mutual funds	222,139
Accrued expenses and other liabilities	<u>2,158,245</u>
Total liabilities	<u>15,429,486</u>

STOCKHOLDER'S EQUITY:

Common stock, \$.01 par value; authorized, 200 shares; outstanding, 10 shares	1
Additional paid-in capital	28,629,805
Accumulated deficit	<u>(70,981)</u>
Total stockholder's equity	<u>28,558,825</u>
	<u>\$43,988,311</u>

See notes to financial statements.