

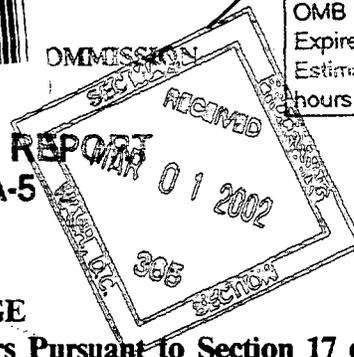
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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

COMMISSION



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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 1/1/01 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

MURPHY & DURIEU

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

120 BROADWAY, 17th FLOOR

(No. and Street)

NEW YORK,

(City)

NEW YORK

(State)

10271

(Zip Code)

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

RICHARD T. PETRI

212 618-0962

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PRICEWATERHOUSECOOPERS, LLP

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

1177 AVENUE OF THE AMERICAS, NEW YORK, NY 10036

(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

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).

SEC 1410 (3-91)

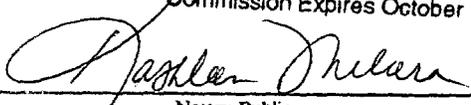
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OATH OR AFFIRMATION

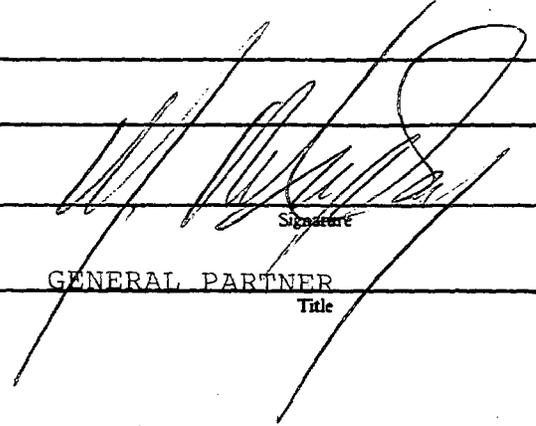
I, RICHARD J. MURPHY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MURPHY & DURIEU, as of

DECEMBER 31, 192001, 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:

KATHLEEN MILOSA
Notary Public, State of New York
No. 01MI4907666
Qualified in Richmond County
Commission Expires October 13, 2003



Notary Public



Signature
GENERAL PARTNER

Title

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.
- X STATEMENT OF CASH FLOWS

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Statement of Financial Condition
December 31, 2001

Assets

Cash	\$ 2,220,632
Deposits with clearing and service organizations	413,539
Receivable from brokers, dealers and clearing organizations	16,340,942
Securities owned, held at clearing broker	4,158,120
Securities borrowed	156,000
Secured demand notes receivable collateralized by cash and marketable securities	1,760,000
Furniture, fixtures, equipment and leasehold improvements (net of accumulated depreciation and amortization of \$1,208,839)	151,092
Loans receivable	121,836
Other assets	858,034
	<hr/>
Total assets	\$ 26,180,195

Liabilities and Partners' Capital

Employee compensation and benefits	\$ 5,100,744
Payable to brokers, dealers and clearing organizations	13,798,925
Securities sold, not yet purchased, at market value	1,394,954
Accrued expenses and other liabilities	2,712,031
	<hr/>
	23,006,654
	<hr/>
Liabilities subordinated to claims of general creditors	1,760,000
	<hr/>
Commitments (Note 4)	
	<hr/>
Partners' capital	1,413,541
	<hr/>
Total liabilities and partners' capital	\$ 26,180,195

The accompanying notes are an integral part of these financial statements.

Statement of Income

For the year ended December 31, 2001

Revenues	
Net gains from principal transactions in securities	\$ 36,953,488
Commissions and floor brokerage	12,094,918
Interest and dividends	<u>212,193</u>
Total revenues	<u>49,260,599</u>
Expenses	
Compensation and benefits	35,194,714
Communications and quotation services	3,101,553
Floor brokerage, clearance and exchange fees	2,817,842
Occupancy and equipment	2,590,553
Promotional costs	1,964,153
Professional and consulting fees	785,712
Depreciation and amortization	271,655
Interest	395,658
Other expenses	<u>270,471</u>
Total expenses	<u>47,392,311</u>
Net income	<u>\$ 1,868,288</u>

The accompanying notes are an integral part of these financial statements.
