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SECURITIES

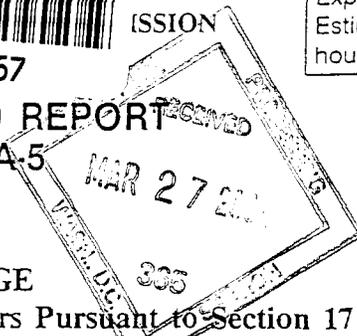


MISSION

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OMB APPROVAL
OMB Number: 3235-0123
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hours per response. . . . 12.00

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



SEC FILE NUMBER
8-04254

8-50591

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:

NIA Securities, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

66 Route 17

(No. and Street)

Paramus

NJ

07652

(City)

(State)

(Zip Code)

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

Terrence D. Marr

(201) 845-6600

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Anchin, Block & Anchin LLP

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

1375 Broadway

New York

NY

10018

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

APR 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).

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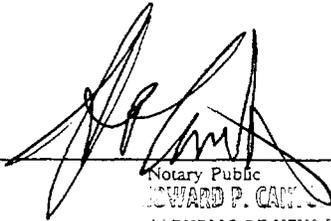
OATH OR AFFIRMATION

I, Terrence D. Marr, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NIA Securities, LLC, 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:

NONE

Terrence D. Marr
Signature

President and CEO
Title


Notary Public
EDWARD P. CARR

NOTARY PUBLIC OF NEW JERSEY
COMMISSION EXPIRES 9/10/02

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~~ of Cash Flows.
- (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).



Established 1923

Anchin, Block & Anchin LLP
Accountants and Consultants

1375 Broadway
New York, New York 10018
(212) 840-3456
FAX (212) 840-7066

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER AND DIRECTORS OF NIA SECURITIES, LLC:

We have audited the accompanying statement of financial condition of NIA Securities, LLC as of December 31, 2001 and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 statements referred to above present fairly, in all material respects, the financial position of NIA Securities, LLC at December 31, 2001 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Anchin, Block & Anchin LLP
Anchin, Block & Anchin LLP

New York, New York
February 15, 2002

NIA SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2001

ASSETS

Cash	\$	135,472
Commissions receivable		58,676
Receivable from brokers and dealers		13,870
Deposit with clearing broker		25,000
Other		<u>21,723</u>
TOTAL ASSETS	\$	<u>254,741</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:		
Accounts payable and accrued expenses	\$	146,965
MEMBER'S EQUITY		<u>107,776</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$	<u>254,741</u>

See the accompanying Notes to the Financial Statements.

NIA SECURITIES, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2001

REVENUES		\$ 1,408,765
EXPENSES:		
Commissions	\$ 1,182,311	
Clearance charges and regulatory fees	69,149	
Salaries and payroll taxes	196,610	
Professional fees	31,380	
Insurance	23,467	
Rent	38,937	
Other	28,711	
		<u>1,570,565</u>
Total Expenses		
NET LOSS		\$ <u>(161,800)</u>

See the accompanying Notes to the Financial Statements.

NIA SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2001

Member's Equity, January 1, 2001	\$ 67,776
Contributions	201,800
Net loss	<u>(161,800)</u>
Member's Equity, December 31, 2001	<u>\$ 107,776</u>

See the accompanying Notes to the Financial Statements.

NIA SECURITIES, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss		\$	(161,800)
Adjustments to reconcile net loss to net cash used in operating activities:			
(Increase) decrease in:			
Commissions receivable	\$	(22,840)	
Receivable from brokers and dealers		(13,870)	
Other		163	
Increase in:			
Accounts payable and accrued expenses		<u>8,786</u>	
Total adjustments			<u>(27,761)</u>
Net Cash Used in Operating Activities			(189,561)

CASH FLOWS FROM FINANCING ACTIVITIES:

Member contributions			<u>201,800</u>
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NET INCREASE IN CASH

12,239

CASH:

Beginning of year			<u>123,233</u>
End of year		\$	<u><u>135,472</u></u>

SUPPLEMENTAL SCHEDULE OF NONCASH FINANCIAL ACTIVITIES:

Contribution of loan to equity	\$	16,800
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See the accompanying Notes to the Financial Statements.

NIA SECURITIES, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization:

NIA Securities, LLC (the "Company") was organized in New Jersey on February 3, 1998, as a limited liability company. The Company is wholly owned by NIA Group, LLC ("Parent"). The articles of organization provide for the Company to continue until December 31, 2048 unless dissolved sooner.

Principal Business Activity:

The Company was formed to engage in broker-dealer activities involving the sale of mutual funds, variable, annuities and variable insurance products on an agency basis throughout the United States. The Company receives commissions from insurance companies and mutual funds for the sales of their products. The Company is registered with the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers, Inc. (NASD).

Financial Statement Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles may require 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. Actual results could differ from those estimates.

Income Taxes:

No provision is required for federal and state taxes on the income of the Company. Under the Internal Revenue Code and similar state regulations the Company is treated as a disregarded entity for tax purposes; accordingly, the income of the Company is taxed to the member.

Revenue and Expense Recognition:

Commission income and related expense are recorded on an accrual basis as the transactions occur.

Advertising costs are expensed as incurred. Advertising expense was approximately \$800 for the year ended December 31, 2001.

NIA SECURITIES, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - CASH SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS:

The Company is not required to maintain a special reserve bank account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission under Section K(2)ii of the Rule.

NOTE 3 - NET CAPITAL REQUIREMENTS:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), 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 \$71,974, which was \$62,176 in excess of its required minimum net capital of \$9,798. The Company's ratio of aggregate indebtedness to net capital was 2.04 to 1.

NOTE 4 - RELATED PARTY TRANSACTIONS:

During the year the Company had the following transactions with its parent company and other related parties:

Transactions with the parent company are as follows:

Commission income	\$363,815
Commission expense	\$491,720
Office and administration expenses	\$ 6,000

The parent converted \$16,800 of loans to capital on January 1, 2001.

Included in accounts payable and accrued expenses is \$56,087 due to the parent.

The Company pays rent to a related party for its share of space in the premises of the affiliate. Rent expense was \$38,937 for the year ended December 31, 2001.

NIA SECURITIES, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PROFIT SHARING PLAN:

The Company participates in an affiliate's 401(k) defined contribution profit sharing plan which covers all eligible employees. The plan provides for a discretionary matching policy which currently provides for the Company to match 30% of employee contributions of up to 6%. Profit sharing expense for the year ended December 31, 2001 was approximately \$800.

NOTE 6 - CREDIT RISK CONCENTRATION:

The Company maintains accounts in a bank primarily in New Jersey. The excess of deposit balances reported by the bank over amounts that would have been covered by federal insurance was approximately \$42,000 at December 31, 2001.



Established 1923

Anchin, Block & Anchin LLP
Accountants and Consultants

1375 Broadway
New York, New York 10018
(212) 840-3456
FAX (212) 840-7066

INDEPENDENT AUDITORS' REPORT

ON

SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5
OF THE SECURITIES AND EXCHANGE COMMISSION

TO THE MEMBER AND DIRECTORS OF
NIA SECURITIES, LLC:

We have audited the accompanying financial statements of NIA Securities, LLC as of and for the year ended December 31, 2001 and have issued our report thereon dated February 15, 2002. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anchin Block & Anchin LLP
Anchin, Block & Anchin LLP

New York, New York
February 15, 2002

NIA SECURITIES, LLC

COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM NET CAPITAL
RULE 15c3-1 AND RECONCILIATION OF THE COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1 INCLUDED IN THE
COMPANY'S CORRESPONDING UNAUDITED FORM X-17A-5 PART IIA FILING
WITH COMPUTATION INCLUDED IN THE REPORT PURSUANT TO RULE 17a-5(d)

AS OF DECEMBER 31, 2001

TOTAL MEMBER'S EQUITY QUALIFIED FOR NET CAPITAL	\$ 107,776
NONALLOWABLE ASSETS	<u>15,702</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	92,074
HAIRCUTS ON SECURITIES	<u>20,100</u>
NET CAPITAL	71,974
MINIMUM NET CAPITAL REQUIREMENT OF 6 2/3% OF AGGREGATE INDEBTEDNESS OF \$146,965 OR \$5,000 WHICHEVER IS GREATER	<u>9,798</u>
EXCESS NET CAPITAL	<u>\$ 62,176</u>
RECONCILIATION WITH COMPANY'S COMPUTATION (INCLUDED IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2001)	
NET CAPITAL, AS REPORTED IN COMPANY'S PART II UNAUDITED FOCUS REPORT	\$ 100,803
DIFFERENCE DUE TO AUDIT ADJUSTMENTS	<u>28,829</u>
NET CAPITAL, PER REPORT PURSUANT TO RULE 17a-5(d)	<u>\$ 71,974</u>
TOTAL AGGREGATE INDEBTEDNESS	<u>\$ 146,965</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>2.04 to 1</u>

See Independent Auditors' Report on Supplementary Information.

NIA SECURITIES, LLC

FINANCIAL REPORT

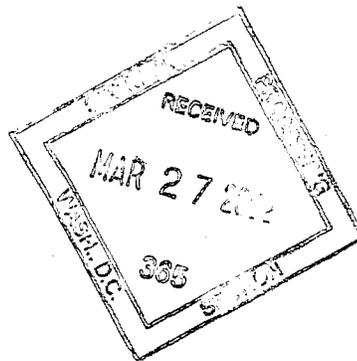
**FOR THE YEAR ENDED
DECEMBER 31, 2001**

NIA SECURITIES, LLC

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DECEMBER 31, 2001

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NIA SECURITIES, LLC

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL**

FOR THE YEAR ENDED DECEMBER 31, 2001



Established 1923

Anchin, Block & Anchin LLP
Accountants and Consultants

1375 Broadway
New York, New York 10018
(212) 840-3456
FAX (212) 840-7066

INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL BY
SEC RULE 17a-5

BOARD OF DIRECTORS
NIA SECURITIES, LLC:

In planning and performing our audit of the financial statements and supplemental schedules of NIA Securities, LLC for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by NIA Securities, LLC, including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relative to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recording of differences required by Rule 17a-13; or in complying with the requirements for prompt payment for securities of Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control 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 unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity 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 internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities and 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 SEC's objectives.

This report recognizes that it is not practicable in an organization the size of NIA Securities, LLC to achieve all the divisions of duties and crosschecks generally included in a system of internal accounting control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Anchin Block & Anchin LLP

Anchin, Block & Anchin LLP

New York, New York
February 15, 2002