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

SEC FILE NUMBER
8- 31336

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: FINANCIAL DESIGNS CORPORATION

OFFICIAL USE ONLY
FIRM I.D. NO.

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

7220 ROSEMEAD BLVD #206
(No. and Street)
SAN GABRIEL CA 91775-1398
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
RONALD A. BILECKI (626) 285-0178
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GRIFFITH, PETER SCOTT
(Name - if individual, state last, first, middle name)
41 E. FOOTHILL BLVD #204 ARCADIA CA 91006
(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 01 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)

AM
3/27/02

OATH OR AFFIRMATION

I, SEAN P. BILECKI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FINANCIAL DESIGNS CORPORATION, as of 12-31-01, 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:

Se P Bilecki

Signature

V.P., CHIEF FINANCIAL OFFICER

Title

Maria Morton

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 Proprietors' 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 15c3-3 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).

Financial Designs Corporation
Balance Sheet
As of December 31, 2001

	Dec 31, '01
ASSETS	
Current Assets	
Checking/Savings	
Cash	61,200.44
Fidelity Money Market	7,954.31
Franklin Money Fund	548.91
Total Checking/Savings	69,703.66
Other Current Assets	
Bender Funds	7,318.43
Commissions Receivable	215.00
Employee Loan	5,988.14
Larkin Account	34,428.52
Life Insurance Cash Value	9,756.86
Officer Loan	60,000.00
Prepaid Taxes Based on Income State	800.00
Total Prepaid Taxes Based on Income	800.00
Total Other Current Assets	118,506.95
Total Current Assets	188,210.61
Fixed Assets	
Accumulated Depreciation	-91,556.00
Air Conditioner	2,707.00
Computer	56,722.85
Copier & Stand	3,548.00
File Cabinets	13,106.00
Office Equipment	12,965.00
Paper Shredder	1,507.00
Security System	3,420.00
Telephone Equipment	4,936.00
Xerox Copier	6,111.00
Total Fixed Assets	13,466.85
TOTAL ASSETS	201,677.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Clearing Charges	750.00
Dividend Payable	500.00
Error Account	28.05
Income Taxes Federal	896.00
Total Income Taxes	896.00
Total Other Current Liabilities	2,174.05
Total Current Liabilities	2,174.05
Equity	
Common Stock	3,000.00
Dividend	-500.00
Retained Earnings	213,550.08
Net Income	-16,546.67
Total Equity	199,503.41
TOTAL LIABILITIES & EQUITY	201,677.46

Financial Designs Corporation
Profit & Loss
 January through December 2001

	Jan - Dec '01
Ordinary Income/Expense	
Income	
Commission Income	62,311.09
Error Account Income	0.08
Fees & Reimbursements	915,104.37
Interest & Dividends	12,202.54
Tax Preparation	18,805.00
Trail Commissions	114,349.17
Total Income	1,122,772.25
Expense	
Advertising	139.45
Asset Allocation Fees	3,340.55
Bonuses	10,400.00
Clearing Charges Fees	4,168.54
Commissions	30,405.47
Decrease - CSVf Life Insurance	4,523.28
Depreciation	7,689.00
Donations	250.00
Employment Taxes	40,626.11
Error Account Fees	385.00
Fees	4,556.18
Insurance	11,702.42
Investment Advisory Fees	398.85
Lease - Equipment	79,584.00
Lease - Office	5,854.83
Life Insurance	2,200.30
Medical Insurance	11,439.63
Medical Reimbursement	18,179.61
Office Supplies & Expense	61,869.49
Regulatory Fees	3,900.00
Retainer Fees & Costs	790.90
RIA Fees	540.80
Salaries	
Officer	456,500.00
Other	343,384.53
Total Salaries	799,884.53
Seminars	548.09
Tax & Accounting Fees	5,124.00
Tax Processing	4,941.00
Telephone & Utilities	13,856.31
Total Expense	1,127,298.34
Net Ordinary Income	-4,526.09
Other Income/Expense	
Other Expense	
Provision for Income Taxes	
Federal	896.00
State	800.00
Total Provision for Income Taxes	1,696.00
Unrealized Losses	10,324.58
Total Other Expense	12,020.58
Net Other Income	-12,020.58
Net Income	-16,546.67

FINANCIAL DESIGNS CORPORATION
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2001

Retained Earnings, December 31, 2000	\$	213,550
Net Loss, 2001	\$	(16,547)
Dividends Paid	\$	<u>(500)</u>
Retained Earnings, December 31, 2001	\$	196,503

Financial Designs Corporation
Statement of Cash Flows
 January through December 2001

	<u>Jan - Dec '01</u>
OPERATING ACTIVITIES	
Net Income	-16,546.67
Adjustments to reconcile Net Income to net cash provided by operations:	
Bender Funds	5,181.57
Commissions Receivable	1,383.82
Employee Loan	4,207.93
Larkin Account	2,570.03
Life Insurance Cash Value	4,523.58
Misc. Accounts Receivable	1,632.04
Prepaid Taxes Based on Income:State	-776.00
Asset Allocation Costs	-10.00
Clearing Charges	267.00
Commissions Payable	-269.34
Dividend Payable	500.00
Employee Bonuses	-7,189.00
Error Account	-1,488.97
Income Taxes:Federal	-209.00
Retainer Fees	-28.60
Net cash provided by Operating Activities	<u>-6,251.61</u>
INVESTING ACTIVITIES	
Accumulated Depreciation	7,689.00
Computer	-2,719.29
Net cash provided by Investing Activities	<u>4,969.71</u>
FINANCING ACTIVITIES	
Dividend	-500.00
Net cash provided by Financing Activities	<u>-500.00</u>
Net cash increase for period	-1,781.90
Cash at beginning of period	<u>71,485.56</u>
Cash at end of period	<u><u>69,703.66</u></u>

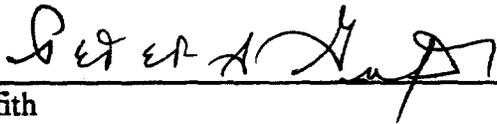
FINANCIAL DESIGNS CORPORATION

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

December 31, 2001

Stockholders Equity		
Common Stock	\$ 3,000	
Retained Earnings	<u>\$ 213,550</u>	
Total Stockholders' Equity (12/31/00)		\$ 216,550
Stockholders' Equity		
Common Stock	\$ 3,000	
Retained Earnings	<u>\$ 196,503</u>	
Total Stockholders' Equity (12/31/01)		<u>\$ 199,503</u>
CHANGE IN STOCKHOLDERS' EQUITY		<u><u>\$ (17,047)</u></u>

I have examined the financial statements of Financial Designs Corporation as of December 31, 2001, and determined that the above information is correct.



Peter S. Griffith
Certified Public Accountant

PETER S. GRIFFITH
CERTIFIED PUBLIC ACCOUNTANT
41 E. FOOTHILL BLVD. SUITE 204
ARCADIA, CA 91006
Phone (626) 447-5550
Fax (626) 447-1223
e-mail: pete@petersgriffithcpa.com

**FINANCIAL DESIGNS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

1. Principles of Accounting

The financial statement of Financial Designs Corporation are prepared in the accrual basis of accounting. No material inadequacies have been found to exist.

2. Income Taxes

The corporation provides for income taxes utilizing the accrual method of accounting.

3. Common Stock

Shares Authorized:	10,000
Issued & Outstanding:	300
Par Value	\$10.00

4. Equipment

The company depreciated its fixed assets for financial accounting purposes on the straight line method.

See accompanying accountant's report.

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT

41 E. FOOTHILL BLVD. SUITE 204

ARCADIA, CA 91006

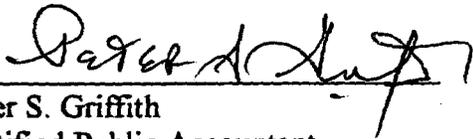
Phone (626) 447-5550

Fax (626) 447-1223

e-mail: pete@petersgriffithcpa.com

I have examined the financial statements of Financial Designs Corporation as of December 31, 2001. My Accountants Report was dated February 25, 2002.

Pursuant to Rule 17a-5 (d) (i), no material inadequacies were found to exist since my last audit of February 21, 2001.



Peter S. Griffith
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Certified Public Accountant

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FINANCIAL DESIGNS CORPORATION
Report Regarding Material Inadequacies

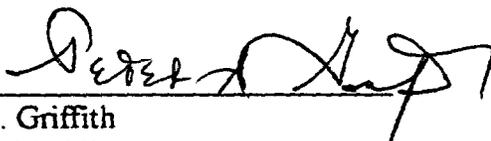
I have examined the financial statements of Financial Designs Corporation as of December 31, 2001. My Accountants Report was dated February 25, 2002.

Pursuant to Rule 17a-5(d)(i), no material inadequacies were found to exist since my last audit of February 21, 2001.

My audit was made in accordance with generally accepted auditing standards and included a review of the books, records, accounting systems, bank statements, mutual fund statements, general ledger, blotter, products sales ledger, internal accounting controls, and procedures for safeguarding securities. I reviewed the Statement of Financial Position, the Statement of Operations, the Statement of Cash Flow, the Statement of Changes in Stockholders' Equity, the Computation of Net Capital. The scope of the audit and review of the accounting system were sufficient to provide reasonable assurance that any material inadequacies existing at the date of the examination would be disclosed.

In addition, the audit included reviews of the practices and procedures followed by the client:

1. in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e);
2. in filing the various Focus Reports;
3. in monitoring insider trading and suspicious trades.



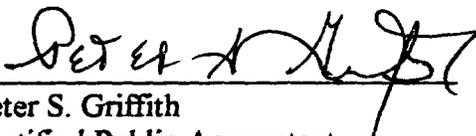
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To: Securities and Exchange Commission
NASD, Inc.

Enclosed is a computation of Net Capital under SEC Rule 15c 3-1. In my annual audited report (Form x-17a-5) for fiscal year ending December 31, 2001, I found no major differences between my computation of net capital and Financial Designs Corporations' computation of net capital as determined on the Focus 2A report filed for fiscal year ending December 31, 2001.

Very best regards,



Peter S. Griffith
Certified Public Accountant

FINANCIAL DESIGNS CORPORATION

COMPUTATION OF NET CAPITAL

December 31, 2001

Computation of Net Capital (12/31/01)

Ownership equity per audit		\$	199,503
Modifications			
Net fixed assets			(13,466)
Income Tax Accruals			896
Prepaid Income Taxes			<u>(800)</u>
 Ownership equity per Focus IIA		\$	186,133
 Nonallowable assets			
Officer loan	\$	60,000	
Employee loan		5,988	
			<u>(65,988)</u>
 Net capital before haircuts on securities positions		\$	120,145
 Haircuts			
Pilgrim Prime Rate \$33,532 x 15% =	\$	5,030	
Emmett Larkin MM \$647 x 2% =		13	
Franklin Money Fund \$569 x 2% =		11	
Fidelity Prime Fund \$7,954 x 2% =		159	
Bender Growth Fund \$7,318 x 15% =		1,098	
			<u>(6,311)</u>
 Net Capital		\$	<u>113,834</u>

COMPUTATION OF BASIS NET CAPITAL EQUIPMENT

Minimum net capital requirement	\$	50,000
Excess net capital	\$	63,834
Excess net capital at 1000%	\$	113,706
Total A.I. Liabilities from Statement of Financial Condition	\$	2,174
Total aggregate indebtedness	\$	2,174
Percentage of aggregate indebtedness to net capital		2%
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		0%

There are no material differences in this computation and the unaudited Focus IIA report.

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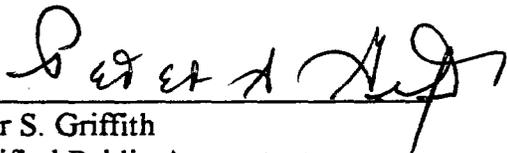
INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Financial Designs Corporation

I have audited the accompanying Balance Sheet of Financial Designs Corporation as of December 31, 2001, and the related Profit & Loss Statement, Retained Earnings, and Cash Flows and the Statement of Changes in Stockholder's Equity for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, in 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Financial Designs Corporation as of December 31, 2001 and the results of its operations and its cash flow for the year then ended in conformity with generally accepted accounting principles.



Peter S. Griffith
Certified Public Accountant

February 25, 2002

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