

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

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

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SECTION

SEC FILE NUMBER
8-23412

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:

REGENCY SECURITIES INC

OFFICIAL USE ONLY
FIRM ID. NO.

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

122 N HARBOR Blvd #200
(No. and Street)
FULLERTON CA 92832-1859
(City) (State) (Zip Code)

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

LARRY BELTRAMO 949-752-3117
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LAI, JERRY T.
(Name - if individual, state last, first, middle name)
20 CORPORATE PARK #135 IRVINE CA 92606
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
P MAR 22 2002

FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

*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).

[Handwritten signature]

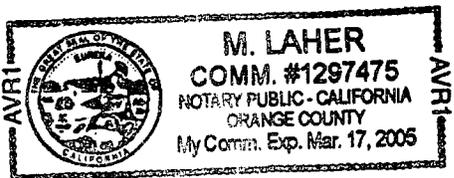
OATH OR AFFIRMATION

I, LARRY F. BELTRAMO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Regency Securities, INC, as of FEBRUARY 23rd, 2002, 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:

N/A

 Signature
LaHer
 Title

 M. LaHer
 Notary Public

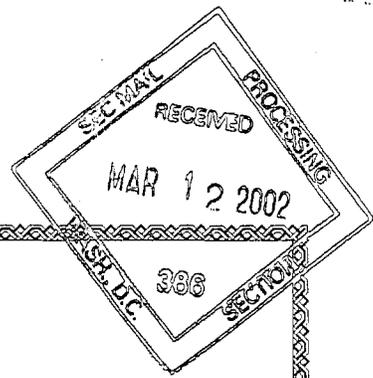


This report** contains (check all applicable boxes):

- (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).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT



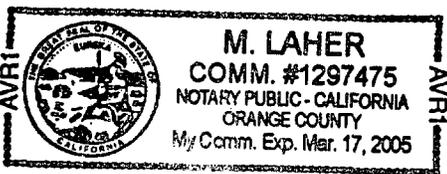
State of California }
County of Orange } ss.

On Feb 23rd 2002 before me, M. Laher, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared LARRY F. BELTRAMO
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal
M. Laher
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Annual Audited Report, OATH,

Document Date: February 23rd 2002 Number of Pages: 2

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer

Signer's Name: LARRY F. BELTRAMO

- Individual
- Corporate Officer — Title(s): President
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: N/A

Signer Is Representing: N/A





REGENCY SECURITIES, INC.

Financial Statements

Years ended December 31, 2001 and December 31, 2000

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JERRY T. LAI, CPA, MBA

AN ACCOUNTANCY CORPORATION

20 CORPORATE PARK, SUITE 135, IRVINE, CA 92606
TEL: (949) 250-8891 FAX: (949) 250-8896

MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholder
Regency Securities, Inc.
Irvine, California

I have audited the accompanying balance sheets of Regency Securities, Inc., as of December 31, 2001 and 2000, and the related statements of income (loss) and retained earnings and cash flows for the years then ended. These 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 audits 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, on a test basis, evidence supporting the amount 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 audits provide 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 Regency Securities, Inc., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the statements of changes in stockholder's equity, computation of basic net capital requirement, computation of net capital and reconciliation of computation of net capital 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 auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

JERRY T. LAI, CPA, MBA
February 22, 2002
Irvine, California

REGENCY SECURITIES, INC.

BALANCE SHEETS

ASSETS

December 31,

Current assets:	<u>2001</u>	<u>2000</u>
Cash	\$ 13,664	\$ 12,961
Interest receivable	43	62
Solicitor's fee receivable	<u>4,826</u>	<u>1,309</u>
Total assets	<u>\$ 18,533</u>	<u>\$ 14,332</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Commissions payable	\$ 4,098	\$ 1,093
Stockholder's equity:		
Common stock-par value of \$10, authorized 2,000 shares; issued and outstanding 1,000 shares	10,000	10,000
Retained earnings	<u>4,435</u>	<u>3,239</u>
Total stockholder's equity	<u>14,435</u>	<u>13,239</u>
Total liabilities and stockholder's equity	<u>\$ 18,533</u>	<u>\$ 14,332</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

	For the years ended December 31,	
	<u>2001</u>	<u>2000</u>
REVENUES:		
Solicitor's fee income	\$ 664,503	\$ 673,564
Commission income	326,100	437,234
Registration fee income	-	172
Interest income	<u>426</u>	<u>557</u>
	<u>991,029</u>	<u>1,111,527</u>
EXPENSES:		
Commission expense	978,958	1,099,860
Other operating expenses	<u>10,075</u>	<u>10,643</u>
	<u>989,033</u>	<u>1,110,503</u>
INCOME BEFORE INCOME TAXES	1,996	1,024
Income taxes	<u>800</u>	<u>800</u>
NET INCOME	1,196	224
RETAINED EARNINGS, BEGINNING OF YEAR	<u>3,239</u>	<u>3,015</u>
RETAINED EARNINGS, END OF YEAR	\$ <u><u>4,435</u></u>	\$ <u><u>3,239</u></u>

See notes to financial statements.

REGENCY SECURITIES, INC.

STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,196	\$ 224
Noncash items included in net income		
(Increase) Decrease in:		
Interest receivable	19	(10)
Accounts receivable	(3,517)	(1,309)
Increase (Decrease) in:		
Commissions payable	<u>3,005</u>	<u>1,093</u>
Net cash provided (used) in operating activities	703	(2)
CASH AT BEGINNING OF PERIOD	<u>12,961</u>	<u>12,963</u>
CASH AT END OF PERIOD	\$ <u>13,664</u>	\$ <u>12,961</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

1. Organization:

Regency Securities, Inc. (the Company) was incorporated on December 1, 1978 under the laws of the state of California. The Company is an introductory firm that only deals in investment company shares such as mutual funds, variable annuities and variable life. As an introductory firm the Company does not hold securities for its clients nor do any other organizations hold securities on behalf of the Company.

On January 26, 1979, the Company received approval from the Securities and Exchange Commission to conduct operations as a broker-dealer.

On February 15, 1979, the Company received approval from the Department of Corporations, State of California, to conduct operations as a broker-dealer.

On January 16, 1996 the NASD District Business Conduct Committee approved Regency Securities Inc. request to:

- A. Change the firm's business to include the wholesale and retail sales of redeemable investment company shares and variable contracts on a subscription or application basis only.
- B. To increase the number of branch offices to two (2). The number of branch offices was reduced back to one (1) in year 2000.
- C. To increase the number of registered representatives to fifteen (15).

Summary of Accounting Policies:

- A. Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting.
- B. Revenue Recognition: The nature of income is generated from doing business in the retail sales of redeemable investment company shares and variable contracts on a subscription or application basis only. Securities transactions (and related commission revenue and expense) are recorded on a settlement date basis, generally the third business day following the transaction date.
- C. Use of Estimates: Management of the Company has made estimates relating to the reporting of assets at the balance date and reporting of income during the period to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates even though the differences should be insignificant.

REGENCY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

2. Related Party Transactions:

The following transactions occurred between the Company and the sole shareholder:

- A. The office rents and other miscellaneous office expenses in the amount of \$8,938 was paid by the shareholder in 2001 to compensate his personal utilization of office space, furniture and equipment.
- B. The Company paid commission in the amount of \$134,798 to the shareholder based on the agreed-upon percentage of the stock sales closed by the shareholder.

3. Net Capital Requirements:

Under Rule 15c3-1(a)(2) of the Securities and Exchange Commission, the Company is required to maintain net capital of \$5,000. Under Rule 15c3-1(a)(1) of the Securities and Exchange Commission, aggregate indebtedness must not exceed net capital, as those terms are defined, by a ratio of more than 15 to 1. The Company was in compliance with these requirements. Specifically, at December 31, 2001 the Company had excess net capital of \$9,435 and indebtedness of \$4,098, and at December 31, 2000 the Company had excess net capital of \$8,177 and indebtedness of \$1,093.

3. Common Stock:

On March 1, 1983, the stockholders and board of directors authorized and approved the recapitalization of the Company. The Company decreased the par value of its stock from \$20.00 to \$10.00 per share. This decrease in capital was within the rules set by the Securities and Exchange Commission.

REGENCY SECURITIES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	For the years ended December 31,	
	<u>2001</u>	<u>2000</u>
Common Stock	\$ <u>10,000</u>	\$ <u>10,000</u>
Retained earnings, beginning of year	\$ 3,239	\$ 3,015
Net income	<u>1,196</u>	<u>224</u>
Retained earnings, end of year	\$ <u>4,435</u>	\$ <u>3,239</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

	December 31,	
	<u>2001</u>	<u>2000</u>
Minimum net capital required		
6 2/3% of aggregate indebtedness of \$4,098 (2001); \$1,093 (2000).	\$ <u>273</u>	\$ <u>73</u>
Minimum dollar net capital requirement of broker-dealer	\$ <u>5,000</u>	\$ <u>5,000</u>
Net capital requirement	\$ <u>5,000</u>	\$ <u>5,000</u>
Excess net capital		
\$14,435 - \$5,000 (2001); \$13,177 - \$5,000 (2000)	\$ <u>9,435</u>	\$ <u>8,177</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

	December 31,	
	<u>2001</u>	<u>2000</u>
Total ownership equity	\$ 14,435	\$ 13,239
Less non-allowable assets	<u>(43)</u>	<u>(62)</u>
Total capital	<u>14,392</u>	<u>13,177</u>
Net capital before haircuts on securities positions	<u>14,392</u>	<u>13,177</u>
Net capital	\$ <u><u>14,392</u></u>	\$ <u><u>13,177</u></u>

See notes to financial statements.

REGENCY SECURITIES, INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL

	December 31,	
	<u>2001</u>	<u>2000</u>
Net capital per FOCUS part IIA report	\$ 14,435	\$ 13,239
Less:		
Interest receivable	<u>(43)</u>	<u>(62)</u>
Net capital reported under Rule 15c3-1	\$ <u>14,392</u>	\$ <u>13,177</u>

See notes to financial statements.