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SECURIT



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Washington, D.C. 20549

MISSION

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| OMB APPROVAL                                      |                    |
| OMB Number:                                       | 3235-0123          |
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| SEC FILE NUMBER |
| 8-21032         |

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

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: CM SECURITIES, INC.

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO.      |

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

27 CHRISTINA STREET SUITE 200

(No. and Street)

NEWTON

(City)

MA

(State)

02461

(Zip Code)

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

ROSEAL McDONALD

508-399-8920

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PAUL R. OLIVEIRA, CPA

CASTRO, THRESHER & OLIVEIRA, PC

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

664 COUNTY STREET

(Address)

ATTLEBORO

(City)

MA

(State)

02703

(Zip Code)

CHECK ONE:

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

PROCESSED

APR 12 2002

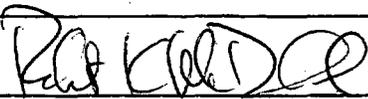
|                       |
|-----------------------|
| FOR OFFICIAL USE ONLY |
| THOMSON FINANCIAL     |

\*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).

OATH OR AFFIRMATION

I, ROBERT K. McDONALD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CM SECURITIES, INC., as of Dec. 31, ~~to~~ 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:

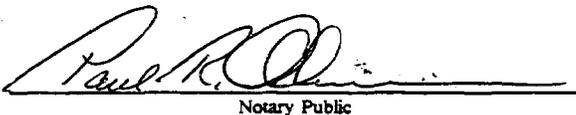
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\_\_\_\_\_  
\_\_\_\_\_



Signature

TREASURER

Title

  
Notary Public

My Commission Expires Oct. 11, 2007

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 Cap
- (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).

CM SECURITIES, INC.

INDEX  
DECEMBER 31, 2001

Exhibit A - Balance Sheet as of December 31, 2001 and 2000

Exhibit B - Statement of Income and Retained Earnings for the Years ended  
December 31, 2001 and 2000

Exhibit C - Statement of Cash Flows for the Years ended December 31, 2001  
and 2000

Schedule 1 - Statement of Changes in Stockholders' Equity for the Years ended  
December 31, 2001 and 2000

Schedule 2 - Computation of Net Capital as Required by Rule 15c(3)(1) as of  
December 31, 2001.

*New →* Schedule 3 - Statement of Changes in Liabilities Subordinated to Claims of Credit  
December 31, 2001.

Notes to Financial Statements as of December 31, 2001

## CM SECURITIES

STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF CREDITORS  
DECEMBER 31, 2001

|                                |                  |
|--------------------------------|------------------|
| Balance, January 1, 2001       | \$ -             |
| Additions:                     |                  |
| Issuance of Subordinated Notes | <u>40,000</u>    |
| Balance, December 31, 2001     | <u>\$ 40,000</u> |