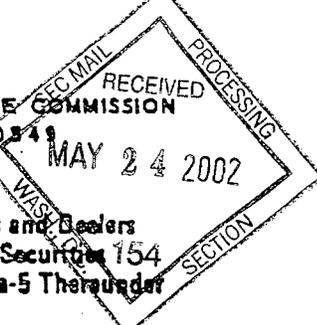




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U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20541



SEC FILE NO.

8-46065

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
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 04/01/01 AND ENDING 03/31/02  
MM / DD / YY MM / DD / YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

ACCESS FINANCIAL GROUP, INC.

Official Use Only

FIRM ID. NO.

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

118 N. CLINTON ST., SUITE 150.

(No. and Street)

CHICAGO

(City)

IL

(State)

60661

(Zip Code)

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

NANCY J. GORCHOFF

312-655-8211

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
(Name -- if individual, state last, first, middle name)

WEISS, SUGAR, DVORAK & DUSEK, LTD.

20 N. WACKER, DR. #2250

(ADDRESS)

Number and Street

CHICAGO,

City

IL

State

60661

Zip Code

CHECK ONE:

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

**PROCESSED**

FOR OFFICIAL USE ONLY

JUN 26 2002

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, NANCY J. GORCHOFF, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ACCESS FINANCIAL GROUP, as of MARCH 31, 2002, ~~XX~~ 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:

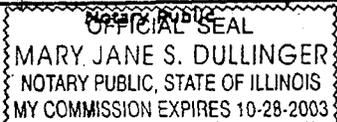
\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Nancy J. Gorchoff*  
 \_\_\_\_\_  
 Signature

CHIEF FINANCIAL OFFICER

\_\_\_\_\_  
 Title

*Mary Jane S. Dullinger*



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).

**ACCESS FINANCIAL GROUP, INC.**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**MARCH 31, 2002**

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# ***WEISS, SUGAR, DVORAK & DUSEK, LTD.***

*Certified Public Accountants & Consultants*

*20 North Wacker Drive, Suite 2250*

*Chicago, Illinois 60606*

*Telephone: (312) 332-6622*

*Facsimile: (312) 332-3707*

*Stanley H. Weiss, CPA*

*David S. Sugar, CPA*

*Kenneth G. Dvorak, CPA*

*Frank A. Dusek, CPA*

*Robert Rehayem, CPA*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
ACCESS FINANCIAL GROUP, INC.

We have audited the accompanying statement of financial condition of ACCESS FINANCIAL GROUP, INC. as of March 31, 2002, and the related statements of income, liabilities subordinated to claims of general creditors, changes in stockholder's equity and cash flows for the year then ended. 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 generally accepted auditing standards. 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 Access Financial Group, Inc. as of March 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information 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 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.

  
Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois  
May 10, 2002

**ACCESS FINANCIAL GROUP, INC.**  
**Statement of Financial Condition**  
**March 31, 2002**

**ASSETS**

Cash	\$ 188,267	
Receivable from broker-dealer	240,241	
Management and administrative fees receivable	261,104	
Securities owned	306,595	
Secured demand notes	155,000	
Furniture and equipment, net of accumulated depreciation of \$741,185	329,873	
Other assets	<u>386,093</u>	
<b>TOTAL ASSETS</b>		<b><u>\$ 1,867,173</u></b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

<b>Liabilities</b>		
Bank loan payable	\$ 105,000	
Accounts payable and accrued expenses	<u>357,862</u>	
Total Liabilities		\$ 462,862
<b>Liabilities Subordinated to Claims of General Creditors</b>		<b>336,666</b>
<b>Stockholder's Equity</b>		<b><u>1,067,645</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<b><u>\$ 1,867,173</u></b>

**ACCESS FINANCIAL GROUP, INC.**  
**Statement of Income**  
**For the Year Ended March 31, 2002**

**REVENUES**

Commissions and fees	\$ 3,213,288	
Management and administrative fees	1,310,937	
Principal transactions	36,065	
Interest	21,393	
Other income	<u>18,923</u>	
Total Revenues		\$ 4,600,606

**EXPENSES**

Commissions, clearing and exchange fees	1,683,146	
Compensation and related expenses	1,356,481	
Communications and data processing	398,307	
Occupancy	361,499	
Other operating expenses	<u>789,728</u>	
Total Expenses		<u>4,589,161</u>

**INCOME BEFORE INCOME TAXES** 11,445

**PROVISION FOR INCOME TAXES** 0

**NET INCOME** \$ 11,445

**ACCESS FINANCIAL GROUP, INC.**  
**Statement of Liabilities Subordinated to Claims of General Creditors**  
**and Statement of Changes in Stockholder's Equity**  
**For the Year Ended March 31, 2002**

**Statement of Liabilities Subordinated to Claims of General Contractors**

<b>Balance - April 1, 2001</b>	\$ 259,666
Additions	155,000
Maturities	<u>(78,000)</u>
<b>Balance - March 31, 2002</b>	<u>\$ 336,666</u>

**Statement of Changes in Stockholder's Equity**

	<u>COMMON STOCK*</u>	<u>PAID-IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
<b>Balance - April 1, 2001</b>	\$ 1	\$ 1,056,869	\$ 40,956	\$ 1,097,826
Dividends paid			(41,626)	(41,626)
Net income			<u>11,445</u>	<u>11,445</u>
<b>Balance - March 31, 2002</b>	<u>\$ 1</u>	<u>\$ 1,056,869</u>	<u>\$ 10,775</u>	<u>\$ 1,067,645</u>

*\*Common stock, \$.01 par value; 1,000 shares authorized, 20 shares issued and outstanding*

**ACCESS FINANCIAL GROUP, INC.**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2002**

**OPERATING ACTIVITIES**

Net income	\$ 11,445	
Depreciation and amortization	109,493	
<i>Changes in:</i>		
Receivable from and payable to broker-dealers	(80,744)	
Management and administrative fees receivable	(23,104)	
Securities owned and securities sold, not yet purchased	73,387	
Other assets	(121,981)	
Accounts payable and accrued expenses	<u>72,499</u>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>\$ 40,995</b>

**INVESTING ACTIVITIES**

Purchase of furniture and equipment	(65,251)	
Retirement of furniture and equipment	<u>77,709</u>	
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b>12,458</b>

**FINANCING ACTIVITIES**

Change in bank loan	20,000	
Change in secured demand notes	(27,000)	
Change in subordinated debt	77,000	
Dividends paid	<u>(41,625)</u>	
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b><u>28,375</u></b>

**INCREASE IN CASH** **81,828**

**CASH - BEGINNING OF YEAR** **106,439**

**CASH - END OF YEAR** **\$ 188,267**

***Supplemental Disclosure of Cash Flow Information***

Interest paid	<u>\$ 23,332</u>
Income taxes paid	<u>\$ 0</u>

***Supplemental Schedule of Noncash Financing Activities***

During the year, subordinated loans of \$131,666 were renewed

**ACCESS FINANCIAL GROUP, INC.**  
**Notes to Financial Statements**  
**March 31, 2002**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Access Financial Group, Inc. (the "Company") is a registered securities broker-dealer and registered investment advisor which clears its trades through a clearing broker on a fully disclosed basis. The Company provides investment services and advice, primarily to funeral director associations, through the United States.

The Company is a wholly owned subsidiary of Access Capital Group, Inc.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Securities Transactions**

Securities transactions on behalf of customers and the related income and expenses are recorded on trade date. Proprietary securities transactions are recorded on trade date, as if they have settled. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis.

Securities owned and securities sold, not yet purchased, are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

**Management and Administrative Fees Receivable**

Management and administrative fees are recognized as income ratably during the year. Management fees are billed substantially at the beginning of each calendar quarter. Administrative fees are billed substantially at the beginning of each fiscal year.

**Furniture and Equipment**

Furniture and equipment are carried at cost and depreciated by an accelerated depreciation method over the estimated useful lives of the assets.

**Deferred Income Taxes**

Deferred income taxes are recorded to reflect the future tax consequences of differences between carrying value of assets and liabilities for income tax versus financial reporting purposes.

**NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

Substantially all of the Company's assets and liabilities, except for furniture and equipment and other assets, are considered financial instruments as defined by Statement of Financial Accounting Standards No. 107 and are either already reflected at fair value or are short-term or replaceable on demand. Therefore, their carrying amounts approximate fair values.

### NOTE 3 – SECURITIES OWNED AND SECURITIES SOLD, NOT YET PURCHASED

Securities owned and securities sold, not yet purchased at March 31, 2002, are as follows:

	SECURITIES OWNED
U.S. Treasury, federal agencies and other government obligations	\$ 248,125
Equity securities	26,745
Warrants	<u>31,725</u>
Total	<u>\$ 306,595</u>

The warrants represent securities that are not readily marketable due to restrictions or conditions applicable to the securities or to the Company.

### NOTE 4 – BANK LOAN PAYABLE

The bank loan payable matures September 1, 2002, and bears interest at the prime rate plus 1/2 percent per annum. The note is collateralized by the assets of the Company.

### NOTE 5 – LIABILITIES SUBORDINATED TO THE CLAIMS OF GENERAL CREDITORS

The borrowings under subordination agreements payable to officers at March 31, 2002, are listed below:

Subordinated notes, 7.75%, due August 31, 2002	\$ 50,000
Subordinated notes, 7.75%, due March 31, 2003	\$ 131,666
Secured demand note collateral agreements, 7.75% due May 31, 2002	<u>155,000</u>
Total	<u>\$ 336,666</u>

The subordinated borrowings are available in computing net capital under the Securities and Exchange Commission's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

### NOTE 6 – EMPLOYEE BENEFIT PLAN

The Company's qualified employees participate in a salary reduction 401(k) plan. The Company may elect to match employees' contributions and make further discretionary contributions to the plan, subject to certain limitations as set forth in the plan agreement. The Company expects to contribute \$21,241.75 for the year ended March 31, 2002.

## NOTE 7 – COMMITMENTS

The Company leases office space under a noncancelable operating lease agreement expiring on December 31, 2005. The lease is with a partnership in which the officers have an interest. Approximate future minimum rentals, exclusive of additional payments for operating expenses and taxes, are as follows:

Future minimum rentals are:

YEARS ENDING	
<u>MARCH 31,</u>	
2003	\$ 216,838
2004	227,679
2005	<u>239,063</u>
Total Future Minimum Rentals	<u>\$ 683,580</u>

Rent expense for the year ended March 31, 2002, was \$206,512 all of which was paid to the affiliated partnership.

## NOTE 8 – OFF-BALANCE SHEET CREDIT AND MARKET RISK

Securities transactions of customers are introduced to and cleared through a clearing broker. Under the terms of its clearing agreement, the Company is required to guarantee the performance of its customers in meeting contracted obligations. In conjunction with the clearing broker, the Company seeks to control the risks associated with its customer activities by requiring customers to maintain collateral in compliance with various regulatory and internal guidelines. Compliance with the various guidelines are monitored daily and, pursuant to such guidelines, the customers may be required to deposit additional collateral, or reduce positions where necessary.

Receivables from broker-dealers represent a concentration of credit risk and primarily relate to fees and commission receivable on security transactions. The Company does not anticipate nonperformance by customers or broker-dealers. In addition, it is the Company's policy to monitor the creditworthiness of the broker-dealers with which it conducts business.

## NOTE 10 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 March 31, 2002, the Company has net capital of \$373,220, which is \$123,220 in excess of its required net capital of \$250,000. The Company's net capital ratio was 1.24 to 1.

**ACCESS FINANCIAL GROUP, INC.**  
**Computation of Net Capital**  
**March 31, 2002**

**NET CAPITAL**

Total stockholder's equity	\$ 1,067,646	
Subordinated borrowings allowable in computation of net capital	<u>336,666</u>	\$ 1,404,312
<i>Deductions and/or charges:</i>		
Non-allowable assets:		
Cash	1,470	
Management and administrative fees receivable	261,107	
Securities owned	47,125	
Furniture and equipment, net	329,874	
Other assets	<u>386,092</u>	<u>1,025,668</u>

**NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS**

378,644

**HAIRCUTS ON SECURITIES**

*Trading and investment securities:*

    Other securities 5,424

**NET CAPITAL**

\$ 373,220

**AGGREGATE INDEBTEDNESS**

Bank loan payable	\$ 105,000
Accounts payable and accrued expenses	222,260
Payable to broker-dealer	<u>135,601</u>

**TOTAL AGGREGATE INDEBTEDNESS**

\$ 462,861

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Net capital requirement	\$ 250,000
Excess net capital	<u>\$ 123,220</u>
Excess net capital at 1,000%	<u>\$ 326,934</u>
Ratio of aggregate indebtedness to net capital	<u>124%</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

(Included in Part IIA of Form X-17A-5 as of March 31, 2002)

Net capital as reported in Company's Part II (unaudited) FOCUS Report	\$ 373,220
Audit adjustments	<u>0</u>
<b>NET CAPITAL PER ABOVE</b>	<u>\$ 373,220</u>

# ***WEISS, SUGAR, DVORAK & DUSEK, LTD.***

*Certified Public Accountants & Consultants*

*20 North Wacker Drive, Suite 2250*

*Chicago, Illinois 60606*

*Telephone: (312) 332-6622*

*Facsimile: (312) 332-3707*

*Stanley H. Weiss, CPA*

*David S. Sugar, CPA*

*Kenneth G. Dvorak, CPA*

*Frank A. Dusek, CPA*

*Robert Rehayem, CPA*

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

To the Board of Directors  
ACCESS FINANCIAL GROUP, INC.

In planning and performing our audit of the financial statements of ACCESS FINANCIAL GROUP, INC. (the "Company") for the year ended March 31, 2002 (on which we issued our report dated May 10, 2002), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities Exchange Act of 1934, we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11).
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13.
3. Complying with the exemptive provisions under Rule 15c3-3.

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 Securities and Exchange Commission's (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 acquisition, 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 any internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projections 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 Company's internal control would not necessarily disclose all matters 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 one or more of the internal control components does not reduce to a relatively low level the risk that error or fraud in the 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 Company's internal control and its operation, including controls 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 Commission to be adequate for its purposes in accordance with the Securities 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 March 31, 2002, to meet the Commission's objectives.

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, Regulation, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in the regulation of registered brokers and dealers, and should not be use for any other purpose.

  
Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois  
May 10, 2002