

UNITED SECURITIES AND EX
Washington,



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OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
Estimated average burden
hours per response . . . 12.00

SEC FILE NUMBER
8- 6311

**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 7-1-01 AND ENDING 6-30-02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SEYMOUR CHAPNICK

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
166-25 Powells Cove Blvd.

(No. and Street)

Beechhurst

NY

(City)

(State)

11357
Zip Code

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Seymour Chapnick 718 767 2617

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Zapken & Loeb L.L.P.

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

2 Roosevelt Ave.

Syosset

NY

11791

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

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

PROCESSED
AUG 07 2002
THOMSON
FINANCIAL

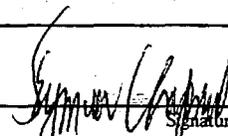
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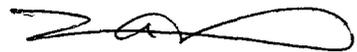
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

Handwritten marks: 280, 505

OATH OR AFFIRMATION

I, Seymour Chapnick, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SEYMOUR CHAPNICK, as of June 30, 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:


Signature
Sole Proprietor
Title



Notary Public
HEE CHRISTINA CHONG
Notary Public, State of New York
No. 01CH6071124
Qualified in Queens County
My Commission Expires March 11, 2006
7-15-02

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.
- (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).



Zapken & Loeb L.L.P.
Certified Public Accountants

2 Roosevelt Avenue • Suite 101
Syosset, New York 11791
Telephone (516) 921-0103
Fax (516) 921-2699

July 15, 2002

I have examined the answers to the Focus Report Part II of SEYMOUR CHAPNICK as of June 30, 2002. My examination was made in accordance with generally accepted auditing standards, and accordingly included a review of the system of internal control and the procedures for safeguarding securities and such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances, including the audit procedures prescribed by the Securities and Exchange Commission.

In my opinion, the accompanying answers to the Focus Report Part II presents fairly the financial position of SEYMOUR CHAPNICK at June 30, 2002, in the form required by the Securities and Exchange Commission, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. No differences were found between my audit and the Focus Report Part II. There were no material inadequacies.

HOWARD ZARKEN

CERTIFIED PUBLIC ACCOUNTANT



Zapken & Loeb L.L.P.
Certified Public Accountants

2 Roosevelt Avenue • Suite 101
Syosset, New York 11791
Telephone (516) 921-0103
Fax (516) 921-2699

July 15, 2002

I have examined the personal financial affairs of Seymour Chapnick as of June 30, 2002. My examination was made in accordance with generally accepted accounting principals.

In my opinion Seymour Chapnick's personal liabilities which have not been incurred in the course of business as broker-dealer do not exceed his personal assets not used in the business.

HOWARD ZAPKEN
CERTIFIED PUBLIC ACCOUNTANT



Zapken & Loeb L.L.P.
Certified Public Accountants

2 Roosevelt Avenue • Suite 101
Syosset, New York 11791
Telephone (516) 921-0103
Fax (516) 921-2699

July 15, 2002

SEYMOUR CHAPNICK
Statement of Cash Flows
Year Ended June 30, 2002

Cash Balance - July 1, 2001		\$ 6,731
Additions: Gross Receipts		<u>48,115</u>
	Total Cash Available	<u>\$54,846</u>
Deductions:		
Expenses	\$35,367	
To Money Market	<u>10,000</u>	<u>45,367</u>
Cash Balance - June 30, 2002		<u>\$ 9,479</u>



HOWARD ZAPKEN
CERTIFIED PUBLIC ACCOUNTANT



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Certified Public Accountants

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Syosset, New York 11791
Telephone (516) 921-0103
Fax (516) 921-2699

July 15, 2002

SEYMOUR CHAPNICK
Statement of Changes in Financial Condition
Year Ended June 30, 2002

Funds Provided - Net Profit	\$12,749
Capital Additions	<u>1,614</u>
Net Increase in Capital	<u>\$14,363</u>



HOWARD ZAPKEN
CERTIFIED PUBLIC ACCOUNTANT

**FORM
X-17A-5**

FOCUS REPORT

UNITED STATES SECURITIES
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

PART II 11

3/87

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a) 16 2) Rule 17a-5(b) 17 3) Rule 17a-11 18
 4) Special request by designated examining authority 19 5) Other 26

NAME OF BROKER-DEALER

SEC FILE NO

SEYMOUR CHAPNICK

86311

14

FIRM ID. NO.

11-6242099

15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

166-25 Powells Cove Blvd.

FOR PERIOD BEGINNING (MM/DD/YY)

7-1-01

24

(No. and Street)

AND ENDING (MM/DD/YY)

6-30-02

25

Beechhurst

NY

11357

(City)

(State)

(Zip Code)

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

(Area Code)—Telephone No.

Seymour Chapnick

(718) 7672617

31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

NONE

OFFICIAL USE

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES 40

NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 15th day of July 2002

Manual signatures of:

- 1) Seymour Chapnick
Principal Executive Officer or Managing Partner
- 2) _____
Principal Financial Officer or Partner
- 3) _____
Principal Operations Officer or Partner

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78(f)(a))

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

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

Zapken & Loeb L.L.P.

ADDRESS Number and Street
2 Roosevelt Avenue

City
Syosset

State
NY

Zip Code
11791

Check One

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States or any of its possessions

77

FOR SEC USE

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER SEYMOUR CHAPNICK

N2

100

STATEMENT OF FINANCIAL CONDITION

As of IMM/DD/YY

6-30-02

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SEC FILE NO.

86311

98

Consolidated

198

Unconsolidated

199

ASSETS

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 9,479		\$ 9,479
	200		750
2. Cash segregated in compliance with federal and other regulations			760
			210
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements"			
			770
			220
2. Other			780
			230
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements"			790
			240
2. Other			800
			250
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"			810
			260
2. Other			820
			270
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"			830
			280
2. Other			840
			290
E. Other		\$ 550	\$ 810
			300
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts			850
			310
2. Partly secured accounts			860
			320
3. Unsecured accounts			870
			330
B. Commodity accounts			880
			335
C. Allowance for doubtful accounts			890
			340
5. Receivables from non-customers:			
A. Cash and fully secured accounts			900
			340
B. Partly secured and unsecured accounts			910
			350
6. Securities purchased under agreements to resell			920
			360
7. Securities and spot commodities owned, at market value:			
A. Bankers acceptances, certificates of deposit and commercial paper			930
			370
B. U.S. and Canadian government obligations			940
			380
C. State and municipal government obligations			950
			390
D. Corporate obligations			960
			400

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

STATEMENT OF FINANCIAL CONDITION

		<u>ASSETS</u>		
		<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants	\$	410		
F. Options		420		
G. Arbitrage		422		
H. Other securities		132,164		
I. Spot commodities		430		
			\$ 132,164	850
8. Securities owned not readily marketable:				
A. At Cost	\$	130		
B. At estimated fair value		440	\$ 610	850
9. Other investments not readily marketable:				
A. At Cost	\$	72,100		
B. At estimated fair value		450	72,100	72,100
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities	\$	150		
B. Other	\$	160	630	880
11. Secured demand notes - market value of collateral:				
A. Exempted securities	\$	170		
B. Other	\$	180	640	890
12. Memberships in exchanges:				
A. Owned, at market value	\$	190		
B. Owned at cost			650	
C. Contributed for use of company, at market value			660	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670	910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:				
At cost (net of accumulated depreciation and amortization)		490	680	920
15. Other Assets:				
A. Dividends and interest receivable		500	690	
B. Free shipments		510	700	
C. Loans and advances		520	710	
D. Miscellaneous		530	720	930
16. TOTAL ASSETS	\$	141,643	\$ 72,100	\$ 213,743
		540	740	940

OMIT PENNII'S

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements"	\$ 1030	\$ 1240	\$ 1460
B. Other	1040	1250	1470
18. Securities sold under repurchase agreements ..		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements"	1050	1270	1490
2. Other	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements"	1070		1510
2. Other	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	1090		1530
2. Other	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	1100		1550
2. Other	1105	1310	1560
E. Other	1110	1320	1570
20. Payable to customers:			
A. Securities accounts -including free credits of	\$ 950		\$ 1580
B. Commodities accounts	1120	1330	1590
21. Payable to non customers:			
A. Securities accounts	1140	1340	1600
B. Commodities accounts	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of	\$ 960		\$ 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		1630
B. Accounts payable	1170		1640
C. Income taxes payable	1180		1650
D. Deferred income taxes		1370	1660
E. Accrued expenses and other liabilities	1190		1670
F. Other	1200	1380	1680

OMIT PENNIES

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
24. Notes and mortgages payable:			
A. Unsecured	\$ 1210		\$ 1690
B. Secured	\$ 1211	\$ 1390	\$ 1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings		\$ 1400	\$ 1710
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1 (d)) of \$ 980			
B. Securities borrowings, at market value:			
from outsiders \$ 990		\$ 1410	\$ 1720
C. Pursuant to secured demand note collateral agreements:			
1. from outsiders \$ 1000		\$ 1420	\$ 1730
2. Includes equity subordination (15c3-1 (d)) of \$ 1010			
D. Exchange memberships contributed for use of company at market value		\$ 1430	\$ 1740
E. Accounts and other borrowings not qualified for net capital purposes	\$ 1220	\$ 1440	\$ 1750
26. TOTAL LIABILITIES	\$ 0	\$ 1450	\$ 1760

Ownership Equity

27. Sole proprietorship	\$ 213,743	\$ 1770
28. Partnership- limited partners \$ 1020		\$ 1780
29. Corporation:		
A. Preferred stock		\$ 1791
B. Common stock		\$ 1792
C. Additional paid-in capital		\$ 1793
D. Retained earnings		\$ 1794
E. Total		\$ 1795
F. Less capital stock in treasury		\$ 1796
30. TOTAL OWNERSHIP EQUITY	\$ 213,743	\$ 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 213,743	\$ 1810

OMIT PENNIE!

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER SEYMOUR CHAPNICK

as of 6-30-02

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	213,743	3480
2. Deduct: Ownership equity not allowable for net capital			3490
3. Total ownership equity qualified for net capital		213,743	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	213,743	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C)	\$	72,100	3540
1. Additional charges for customers' and non-customers' security accounts			3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:			3570
1. Number of items		3450	
C. Aged short security differences-less reserve of	\$	3460	3580
number of items		3470	
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities proprietary capital charges			3600
F. Other deductions and/or charges			3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			3615
H. Total deductions and/or charges		72,100	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	141,643	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments			3660
B. Subordinated securities borrowings			3670
C. Trading and Investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper			3680
2. U.S. and Canadian government obligations			3690
3. State and municipal government obligations		2,643	3700
4. Corporate obligations			3710
5. Stocks and warrants			3720
6. Options			3730
7. Arbitrage			3732
8. Other securities			3734
D. Undue concentration			3650
E. Other (list)			3736
10. Net Capital	\$	139,000	3750

OMIT PENNIE

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	S	0	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	S	100,000	3756
13. Net capital requirement (greater of line 11 or 12)	S	100,000	3760
14. Excess net capital (line 10 less 13)	S	39,000	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	S	139,000	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	S		3790
17. Add:			
A. Drafts for immediate credit	S	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	S	3810	
C. Other unrecorded amounts (List)	S	3820	3830
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (vii))	S		3838
19. Total aggregate indebtedness	S		3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%		3850
21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 ÷ by line 10 less Item 4880 page 11)	%		3853

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	S		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	S		3880
24. Net capital requirement (greater of line 22 or 23)	S		3760
25. Excess net capital (line 10 less 24)	S		3910
26. Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8)	%		3851
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits (line 10 less Item 4880 page 11 ÷ by line 17 page 8)	%		3854
28. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	S		3920

OTHER RATIOS

Part C

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital	%		3852

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

PART 11- FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

BROKER OR DEALER SEYMOUR CHAPNICK	For the period (MMDDYY) from <u>7-1-01</u> to <u>6-30-04</u> 3932;10 3933 Number of months included in this statement <u>12</u> 3931
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REVENUE STATEMENT OF INCOME (LOSS)

1. Commissions:		
a. Commissions on transactions in listed equity securities executed on an exchange	\$	3935
b. Commissions on transactions in exchange listed equity securities executed over-the-counter		3937
c. Commissions on listed option transactions		3938
d. All other securities commissions	27,440	3939
e. Total securities commissions	27,440	3940
2. Gains or losses on firm securities trading accounts		
a. From market making in over-the-counter equity securities		3941
i. Includes gains or (losses) OTC market making in exchange listed equity securities	3943	
b. From trading in debt securities		3944
c. From market making in options on a national securities exchange		3945
d. From all other trading		3949
e. Total gains or (losses)		3950
3. Gains or losses on firm securities investment accounts		
a. Includes realized gains (losses)	4235	
b. Includes unrealized gains (losses)	4238	
c. Total realized and unrealized gains (losses)		3952
4. Profits or (losses) from underwriting and selling groups		
a. Includes underwriting income from corporate equity securities	4237	3955
5. Margin interest		
6. Revenue from sale of investment company shares	20,676	3970
7. Fees for account supervision, investment advisory and administrative services		3975
8. Revenue from research services		3980
9. Commodities revenue		3990
10. Other revenue related to securities business		3985
11. Other revenue		3995
12. Total revenue	\$ 48,116	4030

EXPENSES

13. Registered representatives' compensation	\$ 19,925	4110
14. Clerical and administrative employees' expenses		4040
15. Salaries and other employment costs for general partners, and voting stockholder officers		4120
a. Includes interest credited to General and Limited Partners capital accounts	4130	
16. Floor brokerage paid to certain brokers (see definition)		4055
17. Commissions and clearance paid to all other brokers (see definition)		4145
18. Clearance paid to non-brokers (see definition)		4135
19. Communications	241	4068
20. Occupancy and equipment costs	335	4080
21. Promotional costs		4150
22. Interest expense		4075
a. Includes interest on accounts subject to subordination agreements	4070	
23. Losses in error account and bad debts		4170
24. Data processing costs (including service bureau service charges)	821	4188
25. Non-recurring charges		4190
26. Regulatory fees and expenses	1,610	4189
27. Other expenses	12,435	4100
28. Total expenses	\$ 35,367	4200

NET INCOME

29. Income (loss) before Federal income taxes and items below (Item 12 less Item 28)	\$ 12,749	4210
30. Provision for Federal income taxes (for parent only)		4220
31. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4225
a. After Federal income taxes of	4238	
32. Extraordinary gains (losses)		4224
a. After Federal income taxes of	4239	
33. Cumulative effect of changes in accounting principles		4223
34. Net income (loss) after Federal income taxes and extraordinary items	\$ 12,749	4220

MONTHLY INCOME

35. Income (current month only) before provision for Federal income taxes and extraordinary items	\$ 1,517	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALERS UNDER RULE 15c3-3
(See Rule 15c3-3, Exhibit A and Related Notes)**

CREDIT BALANCES

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3)	\$	4340	
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B)		4350	
3. Monies payable against customers' securities loaned (see Note C)		4360	
4. Customers' securities failed to receive (see Note D)		4370	
5. Credit balances in firm accounts which are attributable to principal sales to customers		4380	
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days		4390	
7. **Market value of short security count differences over 30 calendar days old		4400	
8. **Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days		4410	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days		4420	
10. Other (List)		4425	
11. TOTAL CREDITS	\$	0	4430

DEBIT BALANCES

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3	\$	4440	
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		4450	
14. Failed to deliver of customers' securities not older than 30 calendar days		4460	
15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (See Note F)		4465	
16. Other (List)		4469	
17. **Aggregate debit items	\$		4470
18. **less 3% (for alternative method only — see Rule 15c3-1 (f) (5) (i))	(4471
19. **TOTAL 15c3-3 DEBITS	\$	0	4472

RESERVE COMPUTATION

20. Excess of total debits over total credits (line 19 less line 11)	\$	4480	
21. Excess of total credits over total debits (line 11 less line 19)		4490	
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits		4500	
23. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period		4510	
24. Amount of deposit (or withdrawal) including \$ <u>4515</u> value of qualified securities		4520	
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ <u>4525</u> value of qualified securities	\$	4530	
26. Date of deposit (MMDDYY)		4540	

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FREQUENCY OF COMPUTATION

27. Daily <input checked="" type="checkbox"/> <u>4332</u> Weekly <input type="checkbox"/> <u>4333</u> Monthly <input type="checkbox"/> <u>4334</u>
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**In the event the Net Capital Requirement is computed under the alternative method this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER	SEYMOUR CHAPNICK	as of <u>6-30-02</u>
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SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION

CUSTOMERS' REGULATED COMMODITY FUTURES ACCOUNTS

SEGREGATION REQUIREMENTS

1. Net ledger balance:		
A. Cash	\$	7010
B. Securities (at market)		7020
2. Net unrealized profit (loss) in open futures contracts traded on a contract market		7030
3. Exchange traded options:		
A. Add: Market Value of open option contracts purchased on a contract market		7032
B. Deduct: Market Value of open option contracts granted (sold) on a contract market	(7033
4. Net equity (deficit) (total of 1, 2 and 3)		7040
5. Add accounts liquidating to a deficit and accounts with debit balances with no open trades		7050
6. Amount required to be segregated (total of 4 and 5)		7060

FUNDS ON DEPOSIT IN SEGREGATION

7. Deposited in segregated funds bank accounts:		
A. Cash	\$	7070
B. Securities representing investments of customers' funds (at market)		7080
C. Securities held for particular customers or option customers in lieu of cash (at market)		7090
8. Margins on deposit with clearing organizations of contract markets:		
A. Cash		7100
B. Securities representing investments of customers' funds (at market)		7110
C. Securities held for particular customers or option customers in lieu of cash (at market)		7120
9. Settlement due from (to) clearing organizations of contract markets		7130
10. Exchange traded options:		
A. Add: Unrealized receivables for option contracts purchased on contract markets		7132
B. Deduct: Unrealized obligations for option contracts granted (sold) on contract markets		7133
11. Net equities with other FCMs		7140
12. Segregated funds on hand:		
A. Cash		7150
B. Securities representing investments of customers' funds (at market)		7160
C. Securities held for particular customers in lieu of cash (at market)		7170
13. Total amount in segregation (total of 7 through 12)		\$ 7180
14. Excess (insufficiency) funds in segregation (13 minus 6)		\$ 7190

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
4600	4601	4602	\$	4603	4604	4605
4610	4611	4612		4613	4614	4615
4620	4621	4622		4623	4624	4625
4630	4631	4632		4633	4634	4635
4640	4641	4642		4643	4644	4645
4650	4651	4652		4653	4654	4655
4660	4661	4662		4663	4664	4665
4670	4671	4672		4673	4674	4675
4680	4681	4682		4683	4684	4685
4690	4691	4692		4693	4694	4695

TOTAL \$ 0 **4699***

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*To agree with the total on Recap (Item No. 4680)

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
Capital Withdrawals
PART II

BROKER OR DEALER **SEYMOUR CHAPNICK** For the period (MMDDYY) from 7-1-01 to 6-30-02

RECAP

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of net capital.

1. Equity Capital

A. Partnership Capital:

1. General Partners	\$	4700
2. Limited		4710
3. Undistributed Profits		4720
4. Other (describe below)		4730
5. Sole Proprietorship		4735

B. Corporation Capital:

1. Common Stock		4740
2. Preferred Stock		4750
3. Retained Earnings (Dividends and Other)		4760
4. Other (describe below)		4770

2. Subordinated Liabilities

A. Secured Demand Notes		4780
B. Cash Subordinations		4790
C. Debentures		4800
D. Other (describe below)		4810

3. Other Anticipated Withdrawals

A. Bonuses		4820
B. Voluntary Contributions to Pension or Profit Sharing Plans		4860
C. Other (describe below)		4870

Total \$ 0 **4880**

4. Description of Other

STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period		\$ 199,380	4240	
A. Net income (loss)		12,749	4250	
B. Additions (Includes non-conforming capital of	\$	4262	1,614	4260
C. Deductions (Includes non-conforming capital of	\$	4272		4270
2. Balance, end of period (From Item 1800)		\$ 213,743	4290	

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period		\$ 0	4300
A. Increases			4310
B. Decreases			4320
4. Balance, end of period (From item 3520)		\$ 0	4330

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

BROKER OR DEALER

SEYMOUR CHAPNICK

as of 6-30-02

FINANCIAL AND OPERATIONAL DATA

1. Month end total number of stock record breaks unresolved over three business days	Valuation	0	Number
A. breaks long	\$	4890	4900
B. breaks short	\$	4910	4920
2. Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter? (Check one)			
Yes	<input checked="" type="checkbox"/>	4930	No <input type="checkbox"/> 4940
A) If response is negative attach explanation of steps being taken to comply with Rule 17a-13			
3. Personnel employed at end of reporting period			
A. Income producing personnel		2	4950
B. Non-income producing personnel (all other)		0	4960
C. Total		2	4970
4. Actual number of tickets executed during current month of reporting period		7	4980
5. Number of corrected customer confirmations mailed after settlement date		0	4990
6. Money differences	No. of Items	Debit (Short Value)	Credit (Long Value)
	5000	\$	5010
7. Security suspense accounts	5040	\$	5050
8. Security difference accounts	5080	\$	5090
9. Commodity suspense accounts	5120	\$	5130
10. Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days	5160	\$	5170
		5180	\$
11. Bank account reconciliations-unresolved amounts over 30 calendar days	5200	\$	5210
		5220	\$
12. Open transfers over 40 calendar days, not confirmed	5240	\$	5250
		5260	\$
13. Transactions in reorganization accounts over 60 calendar days	5280	\$	5290
		5300	\$
14. Total	0	\$	0
	5320	\$	5330
		5340	\$
15. Failed to deliver 5 business days or longer (21 business days or longer in the case of Municipal Securities)	No. of Items	Ledger Amount	Market Value
	5360	\$	5361
			\$
16. Failed to receive 5 business days or longer (21 business days or longer in the case of Municipal Securities)	5363	\$	5364
			\$
17. Security concentrations (See instructions in Part I)			
A. Proprietary positions			204,264
B. Customers' accounts under Rule 15c3-3			5370
18. Total of personal capital borrowings due within six months			5374
19. Maximum haircuts on underwriting commitments during the period			5378
20. Planned capital expenditures for business expansion during next six months			5380
21. Liabilities of other individuals or organizations guaranteed by respondent			5382
22. Lease and rentals payable within one year			5384
23. Aggregate lease and rental commitments payable for entire term of the lease			5386
A. Gross		\$	5388
B. Net		\$	5390

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