



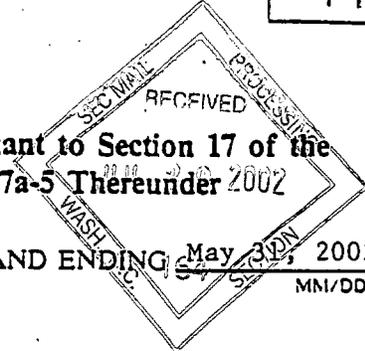
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-19273

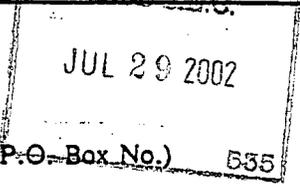
**FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder 2002**



REPORT FOR THE PERIOD BEGINNING June 1, 2001 AND ENDING May 30, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Stoever, Glass & Co., Inc.



OFFICIAL USE ONLY
FIRM ID. NO.

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

(No. and Street)
New York, NY 10005
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Frederick J. Stoever 212-952-1910
(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

TODMAN & CO., CPAs, P.C.
(Name -- if individual, state last, first, middle name)
120 Broadway, New York, NY 10271
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

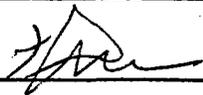
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FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

*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

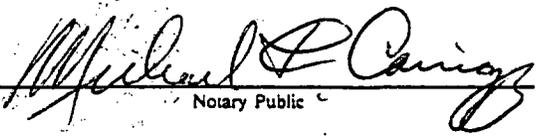
I, Frederick J. Stoever, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stoever, Glass & Co., Inc., as of May 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor 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

Pres.

Title



Notary Public

MICHAEL F. CARRIGG
Notary Public, State of New York
No. 01CA4773883
Qualified in New York County
Commission Expires March 30, 2006

- 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).

STOEVER, GLASS & CO., INC.
STATEMENT OF FINANCIAL CONDITION
MAY 31, 2002

TODMAN & Co., CPAs, P.C.

Certified Public Accountants and Business Consultants
An Affiliate of TRIEN ROSENBERG

120 Broadway
New York, NY 10271
TEL. (212) 962-5930
FAX (212) 385-0215

INDEPENDENT AUDITORS' REPORT

To the Officers and Directors of
Stoever, Glass & Co., Inc.
30 Wall Street
New York, NY 10005

We have audited the accompanying statement of financial condition of Stoever, Glass & Co., Inc. as of May 31, 2002 and for the year then ended. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of Stoever, Glass & Co., Inc. as of May 31, 2002 and for the year then ended, in conformity with U. S. generally accepted accounting principles.

Todman & Co CPAs P.C.

New York, New York
July 22, 2002

STOEVER, GLASS & CO., INC.
STATEMENT OF FINANCIAL CONDITION
MAY 31, 2002

ASSETS

Cash	\$ 705,891
Cash segregated under federal and other regulations	1,000
Receivable from brokers and dealers	193,066
Receivable from customers	1,320,980
Securities owned, at market value	6,488,007
Accrued interest receivable	96,555
Prepaid and recoverable income taxes	44,000
Furniture, equipment and leasehold improvements - at cost, less accumulated depreciation and amortization of \$352,098	64,007
Other assets	<u>97,863</u>
Total assets	<u>\$ 9,011,369</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities	
Collateral loans payable	\$ 4,700,000
Payable to brokers and dealers	74,561
Securities sold, not yet purchased	129,443
Payable to customers	56,166
Loan payable to stockholder	1,000,000
Other liabilities and accrued expenses	<u>386,540</u>
Total liabilities	<u>6,346,710</u>
Commitments and contingencies	
Stockholders' equity	
Common stock - \$10 par value	
Authorized: 1,000 shares	5,000
Issued and outstanding: 500 shares	139,678
Additional paid-in capital	<u>2,735,161</u>
Retained earnings	2,879,839
Less: Treasury stock, at cost, 50 shares	<u>(215,180)</u>
Total stockholders' equity	<u>2,664,659</u>
Total liabilities and stockholders' equity	<u>\$ 9,011,369</u>

The accompanying notes are an integral part of these financial statements.

STOEVER, GLASS & CO., INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2002

Note 1 - Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

The Company operates mainly as a bond broker/dealer serving individual and institutional customers throughout the United States.

(b) Revenue Recognition

Securities transactions are recorded on a settlement date basis. There is no material difference between the trade date and settlement date.

(c) Securities Owned

Securities owned are reflected at market value. The resulting difference between cost and market is included in income.

(d) Depreciation and Amortization

Depreciation is provided for on a straight-line basis to a maximum of five years. Leasehold improvements are amortized on a straight-line basis over the life of the lease or useful life of the improvement, whichever is less.

(e) Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Note 2 - Cash Segregated Under Federal and Other Regulations

Cash in the amount of \$1,000 has been segregated in a special reserve bank account for the exclusive benefit of customers under rule 15c3-3 of the Securities and Exchange Commission. There was no requirement at May 31, 2002.

Note 3 - Securities Owned

Securities owned consist of trading securities at quoted market values, as follows:

	Owned	Sold, Not Yet Purchased
Corporate obligations	\$ 1,163,139	129,443
State and municipal obligations	5,324,868	-
	\$ 6,488,007	\$ 129,443

Note 4 - Collateral Loans Payable

Short-term bank loans of \$4,700,000 bearing interest at a fluctuating rate based upon the broker call rate (average rate of 3.3% at May 31, 2002), are fully collateralized by securities owned by the Company, noncustomers, or customer unpaid securities pledged.

STOEVER, GLASS & CO., INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2002

Note 5 - Related Party Transaction

The Company owes its principal stockholder \$1,000,000. The loan is payable on demand, bearing interest at 6%. Total interest incurred for the year ended May 31, 2002 amounted to \$60,000.

Note 6 - Commitments and Contingencies

(a) Lease Commitment

Effective June 1, 2002, the Company renewed its lease agreement for office space to expire in May 31, 2007. The lease provides the tenant an option to cancel after May 31, 2005. Rent expense approximated \$189,000 for the year ended May 31, 2002. The future minimum annual rental payments are as follows:

<u>Year Ending May 31</u>	<u>Amount</u>
2003	\$ 235,569
2004	235,569
2005	235,569
2006	235,569
2007	235,569

(b) Legal Matters

The Company has been named as a defendant, either in a class action or separately, in legal actions or arbitrations in connection with certain investments. The complaints allege, among other things, that the Company sold unsuitable and fraudulent investments and committed securities fraud. The Company denies all charges and is vigorously defending these allegations. Management and legal counsel are unable to make a meaningful estimate of the amount or range of potential loss that could result from an unfavorable outcome. It is possible that the Company's results of operations or cash flows in a particular quarterly or annual period or its financial position could be materially affected by an ultimate unfavorable outcome of certain pending litigation. Management believes, however, that the ultimate outcome of all pending litigation should not have a material adverse effect on the Company's financial position. Nevertheless, due to uncertainties in the litigation process, it is reasonably possible that management's view of the outcome in these matters could change and an unfavorable outcome could severely impact the Company's financial position in the near term.

Note 7 - Profit Sharing Plan

The Company has a voluntary defined contribution profit sharing plan. No contribution was accrued for the year ended May 31, 2002.

Note 8 - Income Taxes

The Company follows Statement of Financial Accounting Standards No. 109 ("SFAS No. 109"), *Accounting for Income Taxes*, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

STOEVER, GLASS & CO., INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2002

Note 8 - Income Taxes (Continued)

The provision for income taxes consists of current state and local taxes totaling \$49,513.

The Company has established a valuation allowance for tax benefits approximating \$219,000 mainly arising from certain settlement costs which remain unpaid at May 31, 2002 and net operating loss carryforwards. At May 31, 2002, the Company's state and city net operating loss carryforwards of \$1,122,000 and \$1,028,000, respectively, are scheduled to expire in 2013. Management believes that, based on a number of factors, sufficient uncertainties exist at May 31, 2002 regarding the realization of these tax benefits from utilization of settlement costs deductions in the near term.

Note 9 - Net Capital Requirements

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission, which requires that net capital, as defined, shall be at least the greater of \$250,000 or one-fifteenth of aggregate indebtedness, as defined. Net capital and aggregate indebtedness change from day to day, but as of May 31, 2002, the Company's net capital ratio was 73% and the Company had net capital of \$1,968,439, which exceeded the requirement of \$250,000 by \$1,718,439.

Note 10 - Financial Instruments with Off-Balance-Sheet Risk

In the normal course of business, the Company's customer clearing activities involve the execution, settlement and financing of customers' securities transactions. These activities may result in off-balance-sheet credit risk in the event the customer is unable to fulfill its contracted obligations. Customers' securities transactions are transacted on a cash basis. In connection with these activities, the Company executes and clears customer transactions involving the sale of securities not yet purchased. These transactions may expose the Company to off-balance-sheet risk to fully cover losses which customers may incur. Should the customer be unable to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill customers' obligations. As discussed in Note 1, customers' securities transactions are recorded on a settlement date basis in accordance with industry practice. The risk of loss associated with transactions executed, but not yet settled is similar to settled transactions in that it relates to customers and brokers' inability to meet the terms of their contracts.

The Company's customer financing and securities settlement activities requires the Company to pledge customer securities as collateral in support of secured financing sources such as bank loans. In the event the counterparty is unable to meet its obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its customer obligations.

The Company seeks to control this risk by monitoring collateral values on a daily basis and requiring either the infusion of additional collateral or the reduction of securities positions, when necessary, as well as establishing credit limits.

STOEVER, GLASS & CO., INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2002

Note 10 - Financial Instruments with Off-Balance-Sheet Risk (Continued)

Included in receivable from and payable to brokers, dealers and clearing organizations are amounts payable and receivable upon receipt or delivery of securities. Should the broker or clearing organization fail to deliver the securities to the Company, the Company may be required to purchase identical securities on the open market at prices different from contract value. The Company monitors the credit standing of each broker and clearing organization with which it conducts business and requires deposits and additional collateral, when necessary.

The Company, at times, maintains cash balances at financial institutions in excess of federal insured limits. Uninsured cash balances at May 31, 2002 totaled \$1,365,694.

A copy of the Company's Statement of Financial Condition as at May 31, 2002, pursuant to SEC rule 17a-5, is available for inspection at the regional office of the Securities and Exchange Commission and at the principal office of the Company.