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

SEC FILE NUMBER
8-47457

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 01-01-2001 AND ENDING 12-31-2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Miller Investment Partners, Inc.

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

5001 Spring Valley Rd., 1100 Providence Towers West
(No. and Street)

Dallas Texas 75244
(City) (State) (Zip Code)

REC'D B.E.C.
JUL 08 2002
535

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FIRM ID. NO.

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

Robert DuBois (972) 419-4000
(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

R. C. Neal, P. C.
(Name -- if individual, state last, first, middle name)

1425 West Pioneer, Suite 112 Irving Texas 75061
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
JUL 19 2002
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FINANCIAL

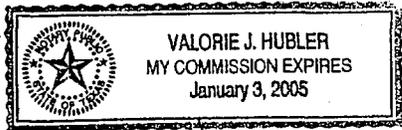
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

VF 7-18-02

OATH OR AFFIRMATION

I, Michael F. McAuley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Miller Investment Partners, Inc., as of December, ~~19~~ 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:



Valorie J. Hubler
 Notary Public

Michael F. McAuley Michael F. McAuley
 Signature

 President

 Title

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).

* Exempt, not applicable or none.

MILLER INVESTMENT PARTNERS, INC.
FINANCIAL REPORT
DECEMBER 31, 2001 AND 2000

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Miller Investment Partners, Inc.

We have audited the accompanying balance sheets of Miller Investment Partners, Inc. as of December 31, 2001 and 2000 and the related statements of income, changes in stockholders' equity, and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 our audits provide 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 Miller Investment Partners, 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 accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules on pages 10 through 12 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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audits 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.

R.C. Neal, P.C.

R.C. Neal, P.C.

Irving, Texas
February 8, 2002

MILLER INVESTMENT PARTNERS. INC.
BALANCE SHEETS
YEARS ENDED DECEMBER 31, 2001 AND 2000

ASSETS	<u>2001</u>	<u>2000</u>
CASH	\$ 19,665	\$ 25,830
ACCOUNTS RECEIVABLE		
Other	1,040	520
PREPAID EXPENSES	<u>2,218</u>	<u>2,210</u>
TOTAL CURRENT ASSETS	22,923	28,560
DEFERRED TAX BENEFIT	2,611	1,766
INVESTMENTS	<u>3,300</u>	<u>3,300</u>
TOTAL ASSETS	<u>\$ 28,834</u>	<u>\$ 33,626</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value, 1,000,000 shares authorized, 15,000 shares issued and outstanding	150	150
Additional paid-in capital	43,850	43,850
Accumulated deficit	<u>(15,166)</u>	<u>(10,374)</u>
TOTAL STOCKHOLDER'S EQUITY	<u>28,834</u>	<u>33,626</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 28,834</u>	<u>\$ 33,626</u>

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

MILLER INVESTMENT PARTNERS, INC.
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
REVENUES		
Commissions	\$ -	\$ 252,500
Interest	<u>-</u>	<u>44</u>
	<u>-</u>	<u>252,544</u>
EXPENSES		
Commissions	-	171,700
General and administrative	2,927	78,883
Professional fees	<u>2,710</u>	<u>2,672</u>
	<u>5,637</u>	<u>253,255</u>
LOSS BEFORE INCOME TAXES	(5,637)	(711)
FEDERAL INCOME TAX BENEFIT	<u>(845)</u>	<u>(107)</u>
NET LOSS	<u>\$ (4,792)</u>	<u>\$ (604)</u>

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

MILLER INVESTMENT PARTNERS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>Stockholders'</u>
			<u>Capital</u>		<u>Equity</u>
Balance at December 31, 1999	15,000	\$ 150	\$ 43,850	\$ (9,770)	\$ 34,230
Net income (loss)	--	--	--	(604)	(604)
Balance at December 31, 2000	15,000	150	43,850	(10,374)	33,626
Net income (loss)	--	--	--	(4,792)	(4,792)
Balance at December 31, 2001	<u>15,000</u>	<u>\$ 150</u>	<u>\$ 43,850</u>	<u>\$ (15,166)</u>	<u>\$ 28,834</u>

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

MILLER INVESTMENT PARTNERS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,792)	\$ (604)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net (increase) decrease in:		
Accounts receivable-other	(520)	187
Deferred tax benefit	(845)	(107)
Prepaid expenses	(8)	(402)
Net increase (decrease) in:		
Accounts payable-related party	<u>-</u>	<u>(18,758)</u>
Net cash provided by (used in) operating activities	<u>(6,165)</u>	<u>(19,684)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of warrants	<u>-</u>	<u>(3,300)</u>
Net cash used for investing activities	<u>-</u>	<u>(3,300)</u>
NET INCREASE (DECREASE) IN CASH	(6,165)	(22,984)
CASH AT BEGINNING OF YEAR	<u>25,830</u>	<u>48,814</u>
CASH AT END OF YEAR	<u>\$ 19,665</u>	<u>\$ 25,830</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for federal income tax	<u>\$ -</u>	<u>\$ -</u>

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

MILLER INVESTMENT PARTNERS, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 2 – NET CAPITAL REQUIREMENTS

NOTE 3 – RELATED PARTY TRANSACTIONS

NOTE 4 – FEDERAL INCOME TAX

NOTE 5 - INVESTMENTS

MILLER INVESTMENT PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Miller Investment Partners, Inc. (Company) was incorporated on April 20, 1994, and became registered with the United States Securities and Exchange Commission as a broker-dealer in August 1994. The Company was established to broker certain real estate partnership offerings, primarily located in the southwestern United States, and does not engage in any other real estate activities.

Cash equivalents – The Company considers time deposits with original maturities of three months or less to be components of cash.

Revenue recognition – The Company receives commissions in connection with the offering of limited partnership interests in real estate partnerships. Commissions are earned only after the limited partnerships meet minimum funding requirements described in the private offering memorandum.

Management estimates- In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions which could affect the reported amounts of assets, liabilities, revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Net Capital Rule (Rule 15c3-1) which requires maintenance of minimum net capital, as defined, and requires that the ratio of aggregate indebtedness to net capital, as defined, shall not exceed 15-to-1. The Company operated in the states of Texas, Oklahoma and Louisiana in 2001 and 2000. All three states require minimum net capital amounts. The maximum amount among the three states is \$10,000. The Company had net capital of \$19,665 and \$25,830 at December 31, 2001 and 2000, respectively. There was no indebtedness at December 31, 2001 and 2000, respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company shares office facilities with related companies and, as a result, certain overhead expenses are borne by the related companies. The Company was allocated \$75,032 in 2000 for overhead which is included in general and administrative expense in the accompanying statements of income.

MILLER INVESTMENT PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

NOTE 4 - FEDERAL INCOME TAX

Income tax expense was computed as follows.

	<u>2001</u>	<u>2000</u>
Current income tax (benefit)	\$ -	\$ -
Deferred income tax (benefit)	<u>(845)</u>	<u>(107)</u>
Federal income tax (benefit)	<u><u>(845)</u></u>	<u><u>(107)</u></u>

As of December 31, 2000, the Company has a net operating loss carry forward of \$17,755 for tax purposes, which will expire at various times starting 2018, and has recorded a deferred tax asset of \$2,611 related to this loss.

NOTE 5 - INVESTMENTS

Investments consist of 300 warrants. Each warrant will be exercisable in four annual tranches from June 28, 2002 to June 27, 2006, with one share of common stock available for purchase in each tranche. The exercise price will be as follows:

June 28, 2002 to June 27, 2003	\$13.00 per share
June 30, 2003 to June 25, 2004	14.00 per share
June 28, 2004 to June 27, 2005	15.00 per share
June 28, 2005 to June 27, 2006	16.00 per share

The ultimate value of the warrants, if any, will depend on the market value of the stock to be purchased.

SUPPLEMENTARY INFORMATION

MILLER INVESTMENT PARTNERS, INC.
 COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
 OF THE SECURITIES EXCHANGE ACT OF 1934
 DECEMBER 31, 2001

NET CAPITAL	
Total stockholders' equity	\$ 28,834
Less nonallowable assets:	
Accounts receivable-other	1,040
Prepaid expenses and deposits	2,218
Deferred tax benefit	2,611
Investments	<u>3,300</u>
	<u>9,169</u>
TOTAL NET CAPITAL	19,665
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required under Rule 15c3-1	<u>5,000</u>
NET CAPITAL IN EXCESS OF MINIMUM REQUIRED	<u>\$ 14,665</u>
AGGREGATE INDEBTEDNESS	<u>\$ --</u>
RATIO OF AGGREGATED INDEBTEDNESS TO NET CAPITAL	<u>--</u>

MILLER INVESTMENT PARTNERS, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENT AND
INFORMATION FOR POSSESSION OR CONTROL REQUIREMENTS PURSUANT TO
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2001

The respondent is exempt from compliance with Rule 15c3-3 of the Securities Exchange Act of 1934 under paragraph (k)(2)(i) of that rule.

MILLER INVESTMENT PARTNERS, INC.
RECONCILIATION OF THE COMPUTATION OF NET CAPITAL WITH THE
COMPUTATIONS INCLUDED IN PART IIA OF FORM X-17A-5 AS OF
DECEMBER 31, 2001

NET CAPITAL PER FOURTH QUARTER FORM X-17A-5	\$ 19,665
DIFFERENCES	<u> -</u>
NET CAPITAL PER FINANCIAL STATEMENTS	<u>\$ 19,665</u>