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UNITED STATES EXCHANGE COMMISSION  
Washington, D.C. 20549

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**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

SECURITIES AND EXCHANGE COMMISSION  
DIVISION OF MARKET REGULATION  
AUG 26 2002  
RECEIVED

SEC FILE NUMBER  
8-1541

REPORT FOR THE PERIOD BEGINNING 7 / 1 / 2001 AND ENDING 30 / 2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Dorsey & Company, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

511 Gravier Street

New Orleans (No. and Street) LA 70130  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Raymond A. Thompson (504) 592-3266  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Malcolm M. Dienes and Company

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

301 Magazine St., 2nd, Fl. New Orleans LA 70130  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

SEP 20 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)

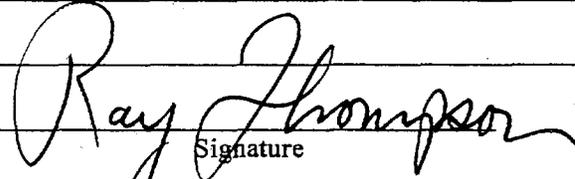
02-19-02

OATH OR AFFIRMATION

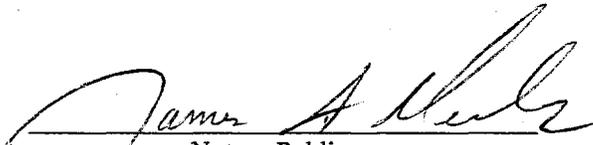
I, Raymond A. Thompson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dorsey & Company, Inc., as of

June 30, 20 02, 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:

None

  
Signature

Senior Vice - President  
Title

  
Notary Public

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 Proprietors' 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 15c3-3 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).

# MMD

## MALCOLM M. DIENES AND COMPANY

Certified Public Accountants

Malcolm M. Dienes, C.P.A. (1905-1994)  
Jack D. Dienes, C.P.A.\*

Donald J. Fontcuberta, C.P.A.  
John W. Theriot, C.P.A.

\* A Professional Corporation

### INDEPENDENT AUDITOR'S REPORT On Internal Control Structure required by SEC Rule 17a-5

To the Board of Directors of  
Dorsey & Company, Inc.

In planning and performing our audit of the financial statements of Dorsey & Company, Inc. (the Company), for the year ended June 30, 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with 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 (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e).
2. Making the quarterly securities examinations, counts, verifications and comparisons and the recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an 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 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 use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedure listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection 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 internal control would not necessarily disclose all matters in internal control 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 the specific internal control components does not reduce to a relatively low level the risk that error or fraud in 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 internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedure 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 June 30, 2002 to meet the Commission's objectives.

This report is intended solely for the information and us to the Board of Directors, management, the SEC, the New York Stock Exchange and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and should not be used for any other purpose.

July 24, 2002

*Malcolm M. Dennis & Co.*

**DORSEY & COMPANY, INC.**  
**New Orleans, Louisiana**

**June 30, 2002 and 2001**

# MMD

## MALCOLM M. DIENES AND COMPANY

Certified Public Accountants

Malcolm M. Dienes, C.P.A. (1905-1994)  
Jack D. Dienes, C.P.A.\*

Donald J. Fontcuberta, C.P.A.  
John W. Theriot, C.P.A.

\* A Professional Corporation

### INDEPENDENT AUDITOR'S REPORT

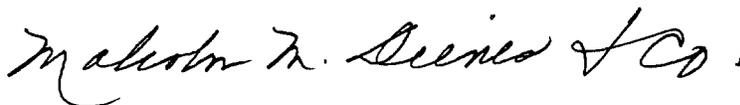
To the Board of Directors and Stockholders of  
Dorsey & Company, Inc.

We have audited the accompanying statements of financial condition of Dorsey & Company, Inc. as of June 30, 2002 and 2001, and the related statements of income, retained earnings, 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 that 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 Dorsey & Company, Inc. as of June 30, 2002 and 2001, 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 I, II and III and the audited Form X-17A-5 FOCUS Report 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.



July 24, 2002

Dorsey & Company, Inc.

Statements of Financial Condition

June 30, 2002 and 2001

	<u>Assets</u>	
	2002	2001
Cash	\$ 26,289	\$ 12,897
Receivable from Brokers, Dealers and Clearing Organizations	300,524	101,963
Deposits with Clearing Organizations	99,920	103,184
Securities Owned, at Market Value	977,520	978,708
Securities Owned, Not Readily Marketable, (Cost \$137,100)	155,100	137,100
Accrued Interest Receivable	8,901	6,318
Property and Equipment, Net	47,228	68,848
Other Assets	79,879	30,365
Total Assets	\$ <u>1,695,361</u>	\$ <u>1,439,383</u>

Liabilities and Stockholders' Equity

Liabilities:		
Accounts Payable	\$ 75,032	\$ 44,705
Payable to Brokers, Dealers and Clearing Organizations	-	35,199
Accrued Salaries & Bonuses	89,772	50,379
401(k) and Profit Sharing Plan Payable	18,497	15,735
Total Liabilities	<u>183,301</u>	<u>146,018</u>
Stockholders' Equity:		
Common Stock - \$10 Par Value, 15,000 Shares Authorized, 10,000 Shares Issued and Outstanding at June 30, 2002 and 2001, Respectively.	100,000	100,000
Paid in Capital	129,223	129,223
Retained Earnings	1,956,935	1,738,240
Treasury Stock - at cost, 4,900 Shares at June 30, 2002 and 2001, Respectively.	(674,098)	(674,098)
Total Stockholders' Equity	<u>1,512,060</u>	<u>1,293,365</u>
Total Liabilities and Stockholders' Equity	\$ <u>1,695,361</u>	\$ <u>1,439,383</u>

See Notes to Financial Statements

Dorsey & Company, Inc.

Statements of Income

For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<b>Income:</b>		
Net Dealer Inventory and Investment Gains	\$ 1,218,698	\$ 936,532
Commissions	542,146	513,597
Advisory Fees	426,418	464,559
Interest and Dividends	97,917	151,923
Other	128,020	98,523
Total Income	<u>2,413,199</u>	<u>2,165,134</u>
<b>Expenses:</b>		
Automobile	5,226	5,509
Brokers' Services	181,963	153,426
Commissions	836,094	714,938
Depreciation	24,889	27,655
Dues and Subscriptions	42,178	53,049
Insurance	63,762	68,378
Interest	36,968	99,631
Office Expense	76,841	85,799
Other	13,419	9,250
Professional Fees	16,000	20,207
Rent - Office	2,700	77,704
Rent and Maintenance - Equipment	61,733	107,217
Salaries and Bonuses - Employees	361,968	454,438
Salaries - Officers	253,919	105,985
Taxes and Licenses	108,021	105,225
Telephone	28,992	38,128
Travel and Entertainment	19,006	18,592
Marketing	15,450	3,656
Miscellaneous Expense	9,866	47,338
401(k) and Profit Sharing Expense	35,509	31,904
Total Expenses	<u>2,194,504</u>	<u>2,228,029</u>
Net Income (Loss)	\$ <u>218,695</u>	\$ <u>(62,895)</u>

See Notes to Financial Statements

Dorsey & Company, Inc.

Statements of Retained Earnings

For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Balance - Beginning of Year	\$ 1,738,240	\$ 1,801,135
Net Income (Loss)	<u>218,695</u>	<u>(62,895)</u>
Balance - End of Year	\$ <u>1,956,935</u>	\$ <u>1,738,240</u>

See Notes to Financial Statements

Dorsey & Company, Inc.

Statements of Changes in Stockholders' Equity

For the Years Ended June 30, 2002 and 2001

	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Total</u>
Balance - June 30, 2000	\$ 100,000	\$ 129,223	\$ 1,801,135	\$ (674,098)	\$ 1,356,260
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>(62,895)</u>	<u>-</u>	<u>(62,895)</u>
Balance - June 30, 2001	100,000	129,223	1,738,240	(674,098)	1,293,365
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>218,695</u>	<u>-</u>	<u>218,695</u>
Balance - June 30, 2002	\$ <u>100,000</u>	\$ <u>129,223</u>	\$ <u>1,956,935</u>	\$ <u>(674,098)</u>	\$ <u>1,512,060</u>

See Notes to Financial Statements

Dorsey & Company, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 218,695	\$ (62,895)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	24,889	27,655
(Increase) Decrease in Assets:		
Receivable from Brokers, Dealers and Clearing Organizations	(198,561)	31,796
Deposits with Clearing Associations	3,264	2,774
Securities Owned	1,188	438,616
Securities Owned, Not Readily Marketable, At Cost	(18,000)	(137,100)
Accrued Interest Receivable	(2,583)	24,967
Other Assets	(49,514)	9,658
Increase (Decrease) in Liabilities:		
Payable to Brokers, Dealers and Clearing Organizations	(35,199)	(352,282)
Accounts Payable and Accrued Expenses	69,720	(38,083)
Pension Plan Payable	<u>2,762</u>	<u>(25,968)</u>
Net Cash Provided (Used) by Operating Activities	<u>16,661</u>	<u>(80,862)</u>
Cash flows from Investing Activities:		
Purchase of Property and Equipment	<u>(3,269)</u>	<u>(428)</u>
Net Increase (Decrease) in Cash	<u>(13,392)</u>	<u>(81,290)</u>
Cash at Beginning of Year	<u>12,897</u>	<u>94,187</u>
Cash at End of Year	\$ <u>26,289</u>	\$ <u>12,897</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	\$ <u>36,968</u>	\$ <u>99,632</u>

See Notes to Financial Statements

Dorsey & Company, Inc.

Notes to Financial Statements

June 30, 2002 and 2001

1. Business Activity

Dorsey & Company, Inc. is located in New Orleans, Louisiana and provides professional investment counseling, securities brokerage, and other financial services to clientele.

2. Summary of Significant Accounting Policies

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

Securities Transactions

Customer securities transactions are recorded on a trade date basis with related commission income and expenses recorded on a trade date basis. Security transactions of the Company are recorded on a trade date basis.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis using estimated useful lives of 3 to 39 years.

Marketable Securities

Marketable securities are valued at market value. The resulting difference between cost and market is included in income.

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term investments with a maturity of three months or less to be cash equivalents.

Dorsey & Company, Inc.

Notes to Financial Statements

June 30, 2002 and 2001

2. Summary of Significant Accounting Policies (continued)

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

3. Payable to Clearing Broker

The payable to clearing broker is for Company transactions and is collateralized by Company securities. Interest is charged at the broker call rate, which is 3.5% and 5.5% at June 30, 2002 and 2001, respectively.

4. Securities Owned

Securities owned consists of trading and investment securities at quoted market values as follows:

	<u>2002</u>	<u>2001</u>
State and Municipal Bonds	\$ 624,580	857,890
Corporate Bonds	270,966	24,534
Corporate Stocks	<u>81,974</u>	<u>96,284</u>
Total	<u>977,520</u>	\$ <u>978,708</u>
Securities Not Readily Marketable:		
NASDAQ Common Stock and Warrants	\$ <u>155,100</u>	\$ <u>137,100</u>

Dorsey & Company, Inc.

Notes to Financial Statements

June 30, 2002 and 2001

5. Property and Equipment

Property and equipment consists of the following:

	<u>2002</u>	<u>2001</u>
Leasehold Improvements	\$ 36,696	\$ 36,696
Furniture and Equipment	135,061	147,254
Less: Accumulated Depreciation	<u>(124,529)</u>	<u>(115,102)</u>
Total Property and Equipment	\$ <u>47,228</u>	\$ <u>68,848</u>

Total depreciation expense taken in current period is \$24,889.

6. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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. The Company's net capital and net capital requirements were as follows:

	<u>2002</u>	<u>2001</u>
Net Capital	\$1,084,013	\$ 923,478
Net Capital Requirements	<u>(250,000)</u>	<u>(250,000)</u>
Excess of Required Net Capital	\$ <u>834,013</u>	\$ <u>673,478</u>
Aggregate Indebtedness	\$ <u>128,133</u>	\$ <u>120,849</u>
Ratio of Aggregate Indebtedness to Net Capital	<u>.12 to 1</u>	<u>.13 to 1</u>

Dorsey & Company, Inc.

Notes to Financial Statements

June 30, 2002 and 2001

7. Liabilities Subordinated to Claims of General Creditors

At June 30, 2002 and 2001, the Company did not have any liabilities subordinated to claims of general creditors.

8. 401(k) and Profit Sharing Plan

The Company has a noncontributory profit sharing plan covering substantially all employees. The Company may contribute amounts as determined by the Board of Directors, but not in excess of the maximum deduction allowable for income tax purposes. The Company made no contributions for the years ending June 30, 2002 and 2001.

The Company adopted a 401(k) retirement plan for its employees effective July 1, 1999. Employees are eligible to participate after one year of service and attaining the age of 21. Under the terms of the Plan, employees are entitled to contribute up to 20% of their total compensation within limitations established by the Internal Revenue Code. At the discretion of the Board of Directors, the Company may make contributions based on a percentage of each employee's compensation. Contributions to the plan for the year ended June 30, 2002 totaled \$35,509 and \$31,904 for the year ended June 30, 2001.

Dorsey & Company, Inc.

Notes to Financial Statements

June 30, 2002 and 2001

9. Income Taxes

The reconciliation of net income to taxable income is as follows:

	<u>2002</u>	<u>2001</u>
Net Income (Loss)	\$ 218,695	\$ (62,895)
Federal Non-Deductible Expenses	30,939	84,639
Federal Non-Taxable Income	<u>(72,684)</u>	<u>(117,675)</u>
Taxable Income (Loss) before Net Operating Loss and Special Deductions	176,950	(95,931)
Special Deductions	<u>(1,689)</u>	<u>(2,399)</u>
Prior Period Net Operating Loss Deduction	<u>(175,261)</u>	-
Taxable Income (Loss)	\$ <u>0</u>	\$ <u>(98,330)</u>

The Company has loss carryforwards totaling \$415,798 that may be offset against future taxable income. If not used, the carryforwards will expire as follows:

Operating <u>Losses</u>	<u>Expiration</u>
178,934	2012
138,534	2019
<u>98,330</u>	2021
\$ <u>415,798</u>	

Dorsey & Company, Inc.

Notes to Financial Statements

June 30, 2002 and 2001

10. Commitments and Contingencies

Leases

The Company entered into a fifteen-year lease for its New Orleans Office on July 1, 1989. Effective August 1, 2001, this lease was amended and will expire on November 1, 2021. The new monthly rate is \$3,975. The lessor is an officer/stockholder of the Company. Rent paid under this lease for the years ended June 30, 2002 and 2001 totaled \$2,700 and \$77,704, respectively.

The required minimum lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2003	\$ 47,700
2004	47,700
2005	47,700
2006	47,000
2007	47,000
Thereafter	\$ 445,200

11. Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Company maintains its cash balances in one financial institution located in New Orleans, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2002, the Company had no uninsured balances.

12. Related Party Transactions

The Company has related party rental transactions with a stockholder/officer of the corporation as discussed in note 9.

Dorsey & Company, Inc.

Supplemental Information Report

June 30, 2002

## Dorsey &amp; Company, Inc.

Computation of Net Capital Under Rule 15c3-1 of  
the Securities and Exchange Commission

June 30, 2002

Net Capital:	
Total Stockholders' Equity	\$ <u>1,512,060</u>
Non-allowable Assets:	
Property and Equipment	47,228
Other Assets - Loans and Advances	4,535
Other Assets - Miscellaneous	<u>75,344</u>
	<u>127,107</u>
Net Capital before Haircuts	1,384,953
Haircuts on Securities:	
Reductions in Value of Trading and Investment Securities and Underwriting Commitments	<u>300,940</u>
Net Capital	<u>1,084,013</u>
Less: The Greater of \$250,000 or 6 2/3% of Aggregate Indebtedness	<u>250,000</u>
Excess Net Capital	\$ <u><u>834,013</u></u>
Aggregate Indebtedness:	
Accounts Payable and Accrued Expenses	\$ <u>128,133</u>
	\$ <u><u>128,133</u></u>
Ratio of Aggregate Indebtedness To Net Capital	<u>.12 to 1</u>

## Dorsey &amp; Company, Inc.

Reconciliation of Audited  
and Unaudited Financial Statements

June 30, 2002

<u>Total Assets Per Unaudited Financial Statements</u>	<u>Total Assets Per Audited Financial Statements</u>	<u>Difference</u>
\$ <u>1,695,361</u>	\$ <u>1,695,361</u>	\$ <u>          -</u>
<u>Total Liabilities and Equity Per Unaudited Financial Statements</u>	<u>Total Liabilities and Equity Per Audited Financial Statements</u>	<u>Difference</u>
\$ <u>1,695,361</u>	\$ <u>1,695,361</u>	\$ <u>          -</u>

Dorsey & Company, Inc.

Statement Regarding Material Inadequacies

June 30, 2002

No material inadequacies were found to exist since the date of our previous audit, June 30, 2001.

The system of internal control and the internal procedures and safeguards adopted for the protection of customers' securities were reviewed by us and are adequate. See separate report on internal control.

There were no material irreconcilable differences between the unaudited and audited Focus Report.

<b>FORM X-17A-5</b>	<h1 style="margin: 0;">FOCUS REPORT</h1> <p style="margin: 0;">(Financial and Operational Combined Uniform Single Report)</p> <h2 style="margin: 0;">Part IIA Quarterly 17a-5(a)</h2> <p style="margin: 0; font-size: small;">INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17</p>
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**COVER**

Select a filing method:

Basic  Alternate  [0011]

Name of Broker Dealer: <u>DORSEY &amp; COMPANY, INC.</u>	SEC File Number: 8- <u>7541</u>
[0013]	[0014]
Address of Principal Place of Business: <u>511 GRAVIER STREET</u>	
[0020]	
<u>NEW ORLEANS LA 70130-</u>	Firm ID: <u>1668</u>
[0021] [0022] <u>2701</u>	[0015]
[0023]	

For Period Beginning 07/01/2001 And Ending 06/30/2002

[0024] [0025]

Name and telephone number of person to contact in regard to this report:

Name: RAYMOND A. THOMPSON, SR. VICE Phone: (504) 524-5431

[0030] [0031]

Name(s) of subsidiaries or affiliates consolidated in this report:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

[0032] [0033]

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

[0034] [0035]

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

[0036] [0037]

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

[0038] [0039]

Does respondent carry its own customer accounts? Yes  [0040] No  [0041]Check here if respondent is filing an audited report  [0042]

## ASSETS

Consolidated <sup>Ⓒ</sup> [0198]		Unconsolidated <sup>Ⓒ</sup> [0199]			
		<b>Allowable</b>	<b>Non-Allowable</b>	<b>Total</b>	
1.	Cash	<u>26,289</u> [0200]		<u>26,289</u> [0750]	
2.	Receivables from brokers or dealers:				
	A. Clearance account	<u>300,523</u> [0295]			
	B. Other	<u>99,920</u> [0300]		<u>400,443</u> [0810]	
3.	Receivables from non- customers			<u>0</u> [0830]	
4.	Securities and spot commodities owned, at market value:				
	A. Exempted securities	<u>624,581</u> [0418]			
	B. Debt securities	<u>270,966</u> [0419]			
	C. Options				
	D. Other securities	<u>81,974</u> [0424]			
	E. Spot commodities			<u>977,521</u> [0850]	
5.	Securities and/or other investments not readily marketable:				
	A. At cost				
		<u>137,100</u> [0130]			
	B. At estimated fair value	<u>155,100</u> [0440]		<u>155,100</u> [0860]	
6.	Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			<u>0</u> [0880]	





from outsiders

	[0990]		
C.	Pursuant to secured demand note collateral agreements:		0
		[1420]	[1730]
1.	from outsiders		
	[1000]		
2.	Includes equity subordination (15c3-1(d)) of		
	[1010]		
D.	Exchange memberships contributed for use of company, at market value		0
		[1430]	[1740]
E.	Accounts and other borrowings not qualified for net capital purposes		0
		[1220]	[1750]
20.	<b>TOTAL LIABILITIES</b>	128,133	183,301
		[1230]	[1760]
		55,168	100,000
		[1450]	[1792]

### Ownership Equity

		<b>Total</b>
21.	Sole proprietorship	[1770]
22.	Partnership (limited partners [1020] )	[1780]
23.	Corporations:	
A.	Preferred stock	[1791]
B.	Common stock	100,000
		[1792]

	C. Additional paid-in capital	<u>129,223</u>
		[1793]
	D. Retained earnings	<u>1,956,935</u>
		[1794]
	E. Total	<u>2,186,158</u>
		[1795]
	F. Less capital stock in treasury	<u>-674,098</u>
		[1796]
24.	<b>TOTAL OWNERSHIP EQUITY</b>	<u>1,512,060</u>
		[1800]
25.	<b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b>	<u>1,695,361</u>
		[1810]



13.	Interest expense		<u>36,969</u>
			[4075]
	a. Includes interest on accounts subject to subordination agreements	<u></u>	[4070]
14.	Regulatory fees and expenses		<u>33,252</u>
			[4195]
15.	Other expenses		<u>539,137</u>
			[4100]
16.	Total expenses		<u>2,194,505</u>
			[4200]

**NET INCOME**

17.	Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)		<u>218,694</u>
			[4210]
18.	Provision for Federal Income taxes (for parent only)		<u></u>
			[4220]
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above		<u></u>
			[4222]
	a. After Federal income taxes of	<u></u>	[4238]
20.	Extraordinary gains (losses)		<u></u>
			[4224]
	a. After Federal income taxes of	<u></u>	[4239]
21.	Cumulative effect of changes in accounting principles		<u></u>
			[4225]
22.	Net income (loss) after Federal income taxes and extraordinary items		<u>218,694</u>
			[4230]

**MONTHLY INCOME**

23.	Income (current monthly only) before provision for Federal income taxes and extraordinary items		<u></u>
			[4211]

**EXEMPTIVE PROVISIONS**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

- A. (k) (1)--Limited business (mutual funds and/or variable annuities only)  [4550]
- B. (k) (2)(i)--"Special Account for the Exclusive Benefit of customers" maintained  [4560]
- C. (k) (2)(ii)--All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)  [4570]

Clearing Firm SEC#s	Name	Product Code
8- <u>35158</u> [4335A]	<u>FIRST CLEARING CORPORATION</u> [4335A2]	<u>A11</u> [4335B]
8- _____ [4335C]	_____ [4335C2]	_____ [4335D]
8- _____ [4335E]	_____ [4335E2]	_____ [4335F]
8- _____ [4335G]	_____ [4335G2]	_____ [4335H]
8- _____ [4335I]	_____ [4335I2]	_____ [4335J]

- D. (k) (3)--Exempted by order of the Commission  [4580]

## COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition		<u>1,512,060</u>	
			[3480]	
2.	Deduct ownership equity not allowable for Net Capital		<u></u>	
			[3490]	
3.	Total ownership equity qualified for Net Capital		<u>1,512,060</u>	
			[3500]	
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		<u>0</u>	
			[3520]	
	B. Other (deductions) or allowable credits (List)			
		<u></u>	<u></u>	
		[3525A]	[3525B]	
		<u></u>	<u></u>	
		[3525C]	[3525D]	
		<u></u>	<u></u>	
		[3525E]	[3525F]	
			<u>0</u>	
			[3525]	
5.	Total capital and allowable subordinated liabilities		<u>1,512,060</u>	
			[3530]	
6.	Deductions and/or charges:			
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	<u>127,107</u>	<u></u>	
		[3540]		
	B. Secured demand note deficiency	<u></u>	<u></u>	
			[3590]	
	C. Commodity futures contracts and spot commodities - proprietary capital charges	<u></u>	<u></u>	
			[3600]	
	D. Other deductions and/or charges	<u></u>	<u>-127,107</u>	
		[3610]	[3620]	
7.	Other additions and/or credits (List)			
		<u></u>	<u></u>	
		[3630A]	[3630B]	
		<u></u>	<u></u>	
		[3630C]	[3630D]	
		<u></u>	<u></u>	
		[3630E]	[3630F]	
			<u>0</u>	
			[3630]	
8.	Net capital before haircuts on securities positions		<u>1,384,953</u>	
			[3640]	



15. Excess net capital at 1000% (line 10 less 10% of line 19) 1,071,199  
[3780]

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**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition 128,133  
[3790]

17. Add:

A. Drafts for immediate credit [3800]

B. Market value of securities borrowed for which no equivalent value is paid or credited [3810]

C. Other unrecorded amounts(List)

[3820A] [3820B]

[3820C] [3820D]

[3820E] [3820F]

0 0  
[3820] [3830]

19. Total aggregate indebtedness 128,133  
[3840]

20. Percentage of aggregate indebtedness to net capital (line 19 / line 10) % 12  
[3850]

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**OTHER RATIOS**

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) % 0  
[3860]

## SCHEDULED WITHDRAWALS

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	Name of Lender or Contributor	Insider or Outsider	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	Withdrawal or Maturity Date (MMDDYYYY)	Expect to Renew
[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]		

Omit Pennies

**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

## STATEMENT OF CHANGES

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

1.	Balance, beginning of period		<u>1,293,366</u>
			[4240]
A.	Net income (loss)		<u>218,694</u>
			[4250]
B.	Additions (includes non-conforming capital of	<u>                    </u>	<u>                    </u>
		[4262] )	[4260]
C.	Deductions (includes non-conforming capital	<u>                    </u>	<u>                    </u>
	of	[4272] )	[4270]
2.	Balance, end of period (From item 1800)		<u>1,512,060</u>
			[4290]

 STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
 TO CLAIMS OF GENERAL CREDITORS

3.	Balance, beginning of period		<u>                    </u>
			[4300]
A.	Increases		<u>                    </u>
			[4310]
B.	Decreases		<u>                    </u>
			[4320]
4.	Balance, end of period (From item 3520)		<u>0</u>
			[4330]