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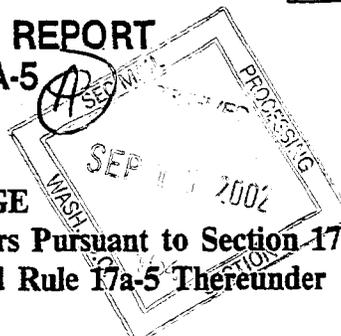
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SEC FILE NUMBER
8. 9545

**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 JUNE 1, 2000 AND ENDING MAY 31, 2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

WECHSLER & CO., INC

OFFICIAL USE ONLY

FIRM ID. NO.

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

105 SOUTH BEDFORD ROAD

(No. and Street)

MT KISCO

NY

10549

(City)

(State)

(Zip Code)

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

JAY MITTENTAG

(914) 242-6060

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SANFORD BECKER & CO, P.C.

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

PROCESSED

1430 BROADWAY

NEW YORK

NY

SEP 21 2002

(Address)

(City)

(State)

(Zip Code)

P THOMSON FINANCIAL

CHECK ONE:

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

FOR OFFICIAL USE ONLY

*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).

UP 9-19-02

OATH OR AFFIRMATION

I, JAY MITTENTAG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WECHSLER & CO., INC, as of

MAY 31, 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:

*Sworn to before me this
26th day of August, 2002
Deborah A. Berwa
Notary Public*

Jay Mittenag
Signature
Chief Financial Officer - FNO
Title

DEBORAH A. BERWA
Notary Public, State of New York
No 01BE6016404
Qualified in Westchester County
Commission Expires November 16, 2002

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~~ CASH FLOWS
- (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).

FOCUS REPORT

FORM

(Financial and Operational Combined Uniform Single Report)

X-17A-5

PART IIA

12

10/85

(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

WECHSLER & CO., INC.

SEC FILE NO

8-9545

FOR FIRM ID NO

13-1944376

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

105 SOUTH BEDFORD ROAD

(No and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

JUNE /1 /2000

AND ENDING (MM/DD/YY)

MAY /31 /2001

MT KISCO

(City)

NY

(State)

10549

(Zip)

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

JAY MITTENTAG

(Area Code) - Telephone No.

(914) 242-6060

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

NONE

OFFICIAL USE

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, statement and schedules remain true, correct and complete as previously submitted.

Dated the 26th day of August 2002
Manual Signatures of

1) Jay Mittenag
Principal Executive Officer or Managing Partner

2) Jay Mittenag
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))

WECHSLER & CO., Inc.
MAY 31, 2001

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SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Wechsler & Co., Inc.
Mt. Kisco, New York

We have audited the accompanying statement of financial condition of Wechsler & Co., Inc. as of May 31, 2001 and the related statements of income, changes in stockholder's equity and cash flows for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wechsler & Co., Inc. as of May 31, 2001 and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules listed on the accompanying index 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 Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, New York
December 14, 2001

Sanford Becker & Co. P.C.

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

BROKER OR DEALER

WECHSLER & CO., INC

N 3

100

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS**

As of (MM/DD/YY) 5/31 / 2001

SEC FILE NO.

Consolidated		99
Unconsolidated	X	198
		199

ASSETS

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash	106,020		106,020
2. Receivables from brokers or dealers:			
A. Clearance account	35,645,939		35,645,939
B. Other		550	550
3. Receivable from non-customers		600	600
4. Securities and spot commodities owned, at market value:			
A. Exempted securities		418	418
B. Debt Securities	2,150,395	419	2,150,814
C. Options	7,800	420	11,620
D. Other securities	106,883,507	424	106,883,931
E. Spot commodities		430	430
5. Securities and/or other investments not readily marketable:			
A. At cost	130		130
B. At estimated fair value		440	440
6. Securities borrowed under subordination agreements an partners' individual and capital securities accounts, at market value:			
A. Exempted securities	150		150
B. Other securities	160		160
7. Secured demand notes:	470		470
Market value of collateral:			
A. Exempted securities	170		170
B. Other securities	180		180
8. Membership in exchanges:			
A. Owned, at market	190		190
B. Owned, at cost		650	650
C. Contributed for use of the company at market value		660	660
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	145,600	146,080
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490	71,731	72,221
11. Other assets	535	301,737	302,272
12. TOTAL ASSETS	144,793,661	519,068	145,312,729

OMIT PENNIES

SEE NOTES TO FINANCIAL STATEMENTS

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

BROKER OR DEALER

WECHSLER & CO., INC.

as of 5 / 31 / 2001

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING
AND CERTAIN OTHER BROKERS OR DEALERS**

LIABILITIES AND OWNERSHIP EQUITY

<u>LIABILITIES</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	1045	1255	1470
14. Payable to brokers or dealers			
A. Clearance account	1114	6,322,052	6,322,052
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased at market value		36,487,367	36,487,367
17. Accounts payable, accrued liabilities expenses and other	7,351,019	34,295,485	41,646,504
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. 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		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		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	7,351,019	77,104,904	84,455,923

Ownership Equity

21. Sole proprietorship		1770
22. Partnership (limited partners	1020	1780
23. Corporation:		
A. Preferred stock		2,604,750
B. Common Stock		50,247
C. Additional paid-in capital		1793
D. Retained earnings		58,201,809
E. Total		60,856,806
F. Less capital stock in treasury		() 1796
24. TOTAL OWNERSHIP EQUITY		60,856,806
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		145,312,729

OMIT PENNIES

SEE NOTES TO FINANCIAL STATEMENTS

WECHSLER & CO., INC.
STATEMENT OF EARNINGS
YEAR ENDED MAY 31, 2001

REVENUE

Commissions		\$	1,181
Profit Trading Securities			19,476,994
Dividends & Interest (Net)			563,695
Other			1,756,938
	TOTALS		\$ 21,798,808

EXPENSES

Employee Compensation and Benefits		\$	5,957,620
Communications			264,162
Interest			1,953,194
Occupancy Expenses			124,356
Other Operating Expenses			3,547,788
Clearance Charges			65,206
	TOTALS		\$ 11,912,326

Net Income Before Federal Income Tax and Unrealized Gains			9,886,482
Unrealized Gain - Trading and Investment Securities			8,901,948
Net Income Before Federal Income Tax			\$ 18,788,430

Provision for Taxes			
Current			3,365,600
Deferred			2,781,188
			6,146,788
Net Income			\$ 12,641,642

SEE NOTES TO FINANCIAL STATEMENTS

WECHSLER CO., INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEAR ENDED MAY 31, 2001

	COMMON STOCK	PREFERRED STOCK	RETAINED EARNINGS	TOTAL
BALANCE - JUNE 1, 2000	50,247	795,652	50,887,981	51,733,880
ADD:				
Net Earnings for the Year			12,641,642	12,641,642
Adjustments to Correct Pfd Booking		3,017,098		3,017,098
DEDUCT:				
Write Down of Investment Owned by Weks, Inc. (100% owned Subsidiary) Net			(863,181)	(863,181)
Adjustment to Correct Pfd Stock Booking			(3,017,098)	(3,017,098)
Redemption 1208 Shs Pfd Stock		(1,208,000)		(1,208,000)
Payment of Accumulated Dividends on Redemption 1208 Shs of Pfd. Stock			(1,447,535)	(1,447,535)
Balance- May 31, 2001	\$50,247	\$2,604,750	\$58,201,809	\$60,856,806

SEE NOTES TO FINANCIAL STATEMENTS

WECHSLER CO., INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Net Profit For The Year	\$	12,641,642
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities		
Depreciation		47,344
Increase in Receivables from Brokers or Dealers		(3,274,364)
Decrease in Other Assets		1,377,689
Decrease in Payable to Brokers or Dealers		(10,466,712)
Increase in Accounts Payable and Accrued Expenses Payable		9,969,249
Total Adjustments		<u>(2,346,794)</u>
Net Cash Provided by Operating Activities	\$	10,294,848

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in Securities Owned (Net)	6,694,890	
Capital Expenditures	67,428	
Decrease in Value of Securities Owned by Weks, Inc. (100% owned subsidiary) Net	<u>863,181</u>	
Net Cash Used In Investing Activities		<u>(7,625,499)</u>
		2,669,349

CASH FLOWS FROM FINANCING ACTIVITIES

Redemption of 1208 Shares of Preferred Stock	1,208,000	
Payment of Accumulated Dividends on Redemption of Preferred Stock	<u>1,447,535</u>	
Net Cash Used in Financial Activities		<u>(2,655,535)</u>
Net Increase in Cash and Cash Equivalents		13,814
Cash and Cash Equivalents at Beginning of the Year		92,206
Cash and Cash Equivalents at End of the Year	\$	<u>106,020</u>

SEE NOTES TO FINANCIAL STATEMENTS

WECHSLER & CO., INC.
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED MAY 31, 2001

1) General Business:

The company is registered as a broker/dealer in securities with the Securities and Exchange Commission. In this capacity, it executes principal and agency transactions. The Company conducts business primarily with broker/dealers for its own proprietary accounts and also introduces customer transactions to Bear Stearns Securities Corp. on a fully disclosed basis.

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in market value (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction. The Company has a policy of reviewing the credit standing of each customer and counter party with which it conducts business. Wechsler & Co., Inc. does not do business in foreign currency, futures or forward contracts.

2) Summary of Significant Accounting Policies:

(a) Securities sold, but not yet purchased include marketable securities stated at quoted market values, with unrealized gains and losses are reflected in income. Subsequent market fluctuation of securities sold, but not yet purchased may require purchasing the securities at prices which may differ from the market values reflected on the statement of financial condition.

(b) Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using accelerated methods over the estimated useful lives of the related assets.

(c) The current and deferred portions of the income tax expense included in the statement of operations as determined in accordance with FASB statement No. 109 "Accounting for Income Taxes," are as follows:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ 3,365,600	\$ 25,670,171	\$ 29,035,771
State	<u>1,166,070</u>	<u>8,625,314</u>	<u>9,791,384</u>
	\$ 4,531,670	\$ 34,295,485	\$ 38,827,155

Deferred income taxes are applicable to unrealized appreciation of investment securities.

(Continue on next page)

- (d) The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (e) The company is obligated under a noncancelable operating lease for its office premises expiring October 31, 2002. Total remaining obligations under this lease amount to \$170,217.00.
- 3) Capital Stock:
 Capital Stock consists of the following:
 \$1,000 Cumulative Preferred 6% No Par Value
 Authorized 10,000 Shares
 Issued and Outstanding 2,604.75 Shares \$ 2,604.750
 Authorized 482 Shares Common Shares
 Issued and Outstanding 160 Shares \$ 50,247
 Cumulative dividends remain unpaid and undeclared.
 As of May 31, 2001 in the amount of \$3,036,587.35
- 4) Net Capital Requirements:
 The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities Exchange Act of 1934, which requires that the Company maintain a ratio of aggregate indebtedness to the net capital as defined, not to exceed 15 to 1. At May 31, 2001 the Company's net capital was \$44,042,665 whereas the required net capital was \$490,070. Aggregate indebtedness was \$7,351,019. The percentage indebtedness to the net capital was 16.69%
- (5) The corporation presently has under appeal to the appellate division of the Internal Revenue Service for the tax years ended May 31, 1992 and May 31, 1993 proposed adjustments to Income. The proposed additional tax claimed due by the Internal Revenue Service is \$2,530,888.18 plus interest. The firm considers these to be without merit.

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

BROKER OR DEALER

WECHSLER & CO., INC.

as of 5/31/2001

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition		60,856,806	3420
2. Deduct Ownership equity not allowable for net capital	(3490)
3. Total ownership equity qualified for net capital		60,856,806	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		60,856,806	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C)	519,068		3540
B. Secured demand note deficiency			3590
C. Commodity futures contracts and spot commodities			
-proprietary capital charges			3600
D. Other deductions and/or charges	614,781		3610
7. Other additions and/or allowable credits (List)		(1,133,849)
8. Net Capital before haircuts on securities positions			3630
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. Exempted securities			3735
2. Debt securities	645,118		3733
3. Options	102,108		3730
4. Other securities	10,647,807		3734
D. Undue concentration	4,285,259		3650
E. Other (List)			3736
10. Net Capital		(15,680,292)
			3740
		44,042,665	3750

OMIT PENNIES

SEE NOTES TO FINANCIAL STATEMENTS

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

BROKER OR DEALER

WECHSLER & CO., INC.

as of 5 / 31 / 2001

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	490,070	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)	100,000	3758
13. Net capital requirement (greater of line 11 or 12)	490,070	3760
14. Excess net capital (line 10 less 13).....	43,552,595	3770
15. Excess net capital at 100% (line 10 less 10% of line 19)		3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	7,351,019	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)	3820	3830
19. Total aggregate indebtedness	7,351,019	3840
20. Percentage of aggregate indebtedness to net capital (line 19 / by line 10)	16.69%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1 (d)		3860

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 net capital computation including both brokers or dealers and consolidated subsidiaries' debits	N/A	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)		3880
24. Net capital requirement (greater of line 22 or 23)		3760
25. Excess net capital (line 10 less 24)		3910
26. Net capital in excess of the greater of:		
A. 5% of combine aggregate debit items or \$120,000		3920

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 alternate 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.

SEE NOTES TO FINANCIAL STATEMENTS

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

BROKER OR DEALER

WECHSLER & CO , INC.

as of 5 /31 /2001

Exemptive Provisions Under Rule 15c3-3

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

- A. (k) (1)-\$2,500 capital category as per Rule 15c3-1 4550
- B. (k) (2)(A)-"Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k) (2)(B)-All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm BEAR STEARNS SECURITIES CORP 4335 4570
- D. (k) (3)-Exempted by order of the Commission 4580

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 With drawn (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	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

SEE NOTES TO FINANCIAL STATEMENTS

RECONCILIATION OF COMPUTATION OF NET CAPITAL PURSUANT TO
UNIFORM NET CAPITAL RULE 15C3-1 TO CORPORATIONS
CORRESPONDING UNAUDITED FORM X-17A-5 PART IIA

FILING MAY 31, 2001

Net Capital Per Corporation's Unaudited Form X-17A-5 Part IIA Amended Filing May 31, 2001	\$ 46,270,156
Adjustments:	
Decrease in Ownership Equity	(2,033,829)
Increase in Non Allowable Assets	<u>(193,662)</u>
	(2,227,491)
Net Capital Per Computation Pursuant to Rule 17a-5(d) Audited Filing May 31, 2001	<u>\$ 44,042,665</u>

SEE NOTES TO FINANCIAL STATEMENTS

SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
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REPORT ON INTERNAL CONTROL

Board of Directors
Wechsler & Co., Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Wechsler & Co., Inc. for the year ended May 31, 2001 we considered its internal control structure including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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 Wechsler & Co., Inc. including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a) (11) and or determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. 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 structure and 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the company has responsibility and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's

authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

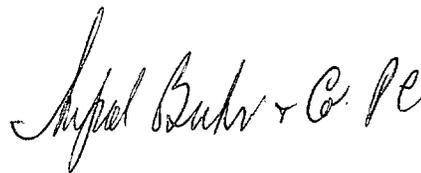
Because of inherent limitations in an internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection on any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy of such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at May 31, 2001 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which 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.

New York, New York
December 14, 2001



WECHSLER & CO., INC.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
ON PART IIA OF FORM X-17A-5

YEAR ENDED MAY 31, 2001