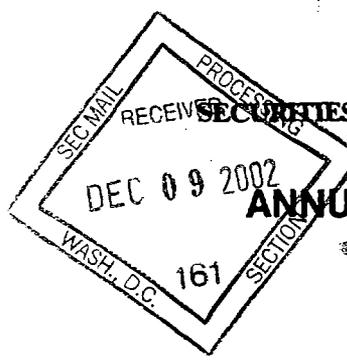


AK 12/19/02\*



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

02053877

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

SEC FILE NUMBER  
8- 15521

**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 10/01/01 AND ENDING 09/30/02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Gerson, Horowitz Green Securities Corp.,

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

888 Seventh Avenue Suite 301

OFFICIAL USE ONLY  
FIRM ID. NO.

2233

(No. and Street)

New York

NY

10106

(City)

(State)

(Zip Code)

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

Albert Horowitz

212-541-8800

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Fuogo, Henle & Associates Inc.,

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

276 Fifth Avenue

New York NY

10001

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

**PROCESSED**  
**DEC 19 2002**  
**THOMSON FINANCIAL**

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).

OATH OR AFFIRMATION

I, Albert Horowitz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gerson, Horowitz, Green Securities Corp, as of September 30, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Handwritten signature of Albert Horowitz

Signature

PKS

Title

Handwritten signature of Dawn Borrelli

Notary Public

DAWN BORRELLI
Notary Public, State of New York
No. 01B06045239
Qualified in Nassau County
Commission Expires July 24, 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).

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

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

Henle Arthur M.

70

ADDRESS      Number and Street      City      State      Zip Code

276. Fifth Avenue

New York

NY

10001

71

72

73

74

Check One

Certified Public Accountant

75

FOR SEC USE

Public Accountant

76

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Accountant not resident in United States or any of its possessions

77

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

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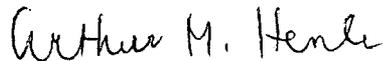
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## CERTIFICATE

We have examined the Report of Financial Condition of GERSON, HOROWITZ, GREEN SECURITIES CORP., 888 Seventh Avenue, New York 10106 as of September 30, 2002. Our examination was made in accordance with generally accepted auditing standards and included a review of the accounting systems, system of internal accounting control, and procedures for safeguarding customers securities and also included such other auditing procedures as we considered necessary in the circumstances. The audit requirements of the Securities and Exchange Commission were observed in the conduct of the audit.

In our opinion, the report appended hereto, presents fairly the financial position of GERSON, HOROWITZ, GREEN SECURITIES CORP. as at September 30, 2002 in conformity with generally accepted accounting principles applies on a consistent basis.

  
Henle & Padob

CERTIFIED PUBLIC ACCOUNTANTS

By: Certified Public Accountant

Dated: November 08, 2002

**FUOCO, HENLE  
& ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTANTS

November 08, 2002

Gerson, Horowitz, Green Securities Corp.  
888 Seventh Avenue  
New York, NY 10106

Gentlemen:

In accordance with your request, we have examined your books, records and accounts for the period beginning October 1, 2001 and ended September 30, 2002 and the Report of Financial Condition as of September 30, 2002, which is annexed hereto.

Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and other auditing procedures, as we considered necessary in the circumstances. The financial position presented is in conformity with generally accepted accounting principles applied on a basis consistent with the previous year.

The scope of our audit included the following procedures:

1. We compared the ledger accounts with the trial balance obtained from the general and subsidiary ledgers and proved the aggregate of subsidiary ledgers with their respective controlling accounts.
2. Balances shown by the bank statements were reconciled as of October 31, 2001, November 30, 2001, December 31, 2001, January 31, 2002, February 28, 2002, March 31, 2002, April 30, 2002, May 31, 2002, June 30, 2002, July 31, 2002, August 31, 2002, and September 30, 2002. We obtained cut-off statements from the Chemical Bank as of September 30, 2002 and October 31, 2002, which further substantiated the bank reconciliation as of September 30, 2002.
3. Confirmation requests were mailed to a sampling of customers who had sizeable dealings within one year of September 30, 2002. The replies received verified the accuracy of such balances and transactions.

4. We obtained a written statement from an officer that there were no assets, liabilities or accountabilities, contingent or otherwise, not recorded on the books of the respondent and that the books of respondent reflect all required matters.
5. We verified the computation of the ratio of aggregate indebtedness to net capital as September 30, 2002 and reviewed the procedures followed in making the periodic computations required under the provisions of Rule 17A-3 (a) (11).
6. We made tests of the client's internal control procedures and found these procedures were adequate in terms of handling of funds and safeguarding of client securities.
7. There were no material differences between the unaudited and audited computations of net capital and/ or the 15C3-3 reserve requirements.
8. There were no material inadequacies in the accounting systems, internal accounting control and/or procedures for safeguarding customer securities.

Very truly yours,

Henle & Padob

*Arthur M. Henle*

By: Certified Public Accountant

AHM:et  
Encl.

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

OKER OR DEALER Gerson, Horowitz, Green Securities Corp

**N2**

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100

**STATEMENT OF FINANCIAL CONDITION**

As of (MM/DD/YY) Sept. 30, 2002

99

SEC FILE NO. 8-15521

99

Consolidated  198  
Unconsolidated  199

ASSETS

Allowable

Nonallowable

Total

Cash	\$ 43,585	200		\$ 43,585	750
Cash segregated in compliance with federal and other regulations		210			760
Receivable from brokers or dealers and clearing organizations:					
A. Failed to deliver:					
1. Includable in "Formula for Reserve Requirements"		220			
2. Other		230			770
3. Securities borrowed:					
1. Includable in "Formula for Reserve Requirements"		240			
2. Other		250			780
C. Omnibus accounts:					
1. Includable in "Formula for Reserve Requirements"		260			
2. Other		270			790
D. Clearing organizations:					
1. Includable in "Formula for Reserve Requirements"		280			
2. Other		290			800
E. Other		300	\$ 550		810
Receivables from customers:					
A. Securities accounts:					
1. Cash and fully secured accounts		310			
2. Partly secured accounts		320	560		
3. Unsecured accounts			570		
B. Commodity accounts		330	580		
C. Allowance for doubtful accounts		335	590		820
Receivables from non-customers:					
A. Cash and fully secured accounts		340			
B. Partly secured and unsecured accounts		350	600		830
Securities purchased under agreements to resell		360	605		840
Securities and spot commodities owned, at market value:					
A. Bankers acceptances, certificates of deposit and commercial paper		370			
B. U.S. and Canadian government obligations		380			
C. State and municipal government obligations		390			
D. Corporate obligations	\$ 25,125	400			

OMIT PLANNED

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

OKER OR DEALER Gerson Horowitz Green Securities Corp

as of Sept. 30, 2002

**STATEMENT OF FINANCIAL CONDITION**

ASSETS

	<u>Allowable</u>		<u>Nonallowable</u>		<u>Total</u>
E. Stocks and warrants	\$ 106,970	410			
F. Options		420			
G. Arbitrage		422			
H. Other securities		424			
I. Spot commodities		430			
				\$ 132,095	850
Securities owned not readily marketable:					
A. At Cost	\$ 11,100	130			
B. At estimated fair value	11,100	440	\$	610	11,100
Other investments not readily marketable:					
A. At Cost	\$	140			
B. At estimated fair value		450		620	870
Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities	\$	150			
B. Other	\$	160		630	890
Secured demand notes - market value of collateral:					
A. Exempted securities	\$	170			
B. Other	\$	180		640	890
Memberships in exchanges:					
A. Owned, at market value	\$	190			
B. Owned at cost				650	
C. Contributed for use of company, at market value				660	900
Investment in and receivables from affiliates, subsidiaries and associated partnerships					
		480		670	910
Property, furniture, equipment, leasehold improvements and rights under lease agreements:					
At cost (net of accumulated depreciation and amortization)		490		680	920
Other Assets:					
A. Dividends and interest receivable	1,097	500		690	
B. Free shipments		510		700	
C. Loans and advances		520	20,402	710	
D. Miscellaneous		530	2,529	720	24,028
<b>TOTAL ASSETS</b>	<b>\$ 187,877</b>	<b>540</b>	<b>\$ 22,931</b>	<b>740</b>	<b>\$ 210,808</b>

OMIT PENN

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

BOOKER OR DEALER **Gerson Horowitz Green Securities Corp**

as of Sept. 30, 2002

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities *</u>	<u>Non-A.I. Liabilities *</u>	<u>Total</u>
<b>Bank loans payable:</b>			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 1460
B. Other .....	1040	1250	1470
Securities sold under repurchase agreements ..		1260	1480
<b>Payable to brokers or dealers and clearing organizations:</b>			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1490
2. Other .....	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		1510
2. Other .....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		1550
2. Other .....	1105	1310	1560
E. Other .....	1110	1320	1570
<b>Payable to customers:</b>			
A. Securities accounts -including free credits of .....	\$ 950		\$ 1580
B. Commodities accounts .....	1130	1330	1590
<b>Payable to non customers:</b>			
A. Securities accounts .....	1140	1340	1600
B. Commodities accounts .....	1150	1350	1610
<b>Securities sold not yet purchased at market value - including arbitrage</b>			
of .....	\$ 960	1360	1620
<b>Accounts payable and accrued liabilities and expenses:</b>			
A. Drafts payable .....	1160		1630
B. Accounts payable .....	2848	1170	2848
C. Income taxes payable .....	1180		1650
D. Deferred income taxes .....		1370	1660
E. Accrued expenses and other liabilities .....	1190		1670
F. Other .....	1200	1380	1680

OMIT PENNIE

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

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

**ROKER OR DEALER** Gerson, Horowitz Green Securities Corp

as of Sept. 30, 2002

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY (continued)**

<u>Liabilities</u>	<u>A.I. Liabilities •</u>	<u>Non-A.I. Liabilities •</u>	<u>Total</u>
Notes and mortgages payable:			
A. Unsecured .....	\$ <u>1210</u>		\$ <u>1690</u>
B. Secured .....	\$ <u>1211</u>	\$ <u>1390</u>	\$ <u>1700</u>
Liabilities subordinated to claims of general creditors:			
A. Cash borrowings .....		<u>1400</u>	<u>1700</u>
1. from outsiders \$ <u>970</u>			
2. Includes equity subordination (15c3-1 (d)) of ..... \$ <u>980</u>			
B. Securities borrowings, at market value:		<u>1410</u>	<u>1720</u>
from outsiders \$ <u>990</u>			
C. Pursuant to secured demand note collateral agreements: .....		<u>1420</u>	<u>1720</u>
1. from outsiders \$ <u>1000</u>			
2. Includes equity subordination (15c3-1 (d)) of ..... \$ <u>1010</u>			
D. Exchange memberships contributed for use of company at market value .....		<u>1430</u>	<u>1730</u>
E. Accounts and other borrowings not qualified for net capital purposes .....	<u>1220</u>	<u>1440</u>	<u>1760</u>
<b>TOTAL LIABILITIES</b> .....	<b>\$ <u>2848</u></b>	<b>\$ <u>1450</u></b>	<b>\$ <u>2848</u></b>

**Ownership Equity**

Sole proprietorship .....		<u>1700</u>
Partnership- limited partners ..... \$ <u>1020</u>		<u>1720</u>
Corporation		
A. Preferred stock .....		<u>1720</u>
B. Common stock .....		<u>7500</u>
C. Additional paid-in capital .....		<u>16763</u>
D. Retained earnings .....		<u>183697</u>
E. Total .....		<u>207960</u>
F. Less capital stock in treasury .....		<u>1720</u>
<b>TOTAL OWNERSHIP EQUITY</b> .....		<b>\$ <u>207960</u></b>
<b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b> .....		<b>\$ <u>210,808</u></b>

OMIT PERIOD

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

BROKER OR DEALER

Gerson Horowitz

For the period (MMDDYY) from 10/01/01 3932 to 09/30/02 3932

Number of months included in this statement 12 3932

Green Securities STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:

a. Commissions on transactions in listed equity securities executed on an exchange	\$	3937
b. Commissions on transactions in exchange listed equity securities executed over-the-counter		3937
c. Commissions on listed option transactions		3937
d. All other securities commissions	352071	3937
e. Total securities commissions		3947

2. Gains or losses on firm securities trading accounts

a. From market making in over-the-counter equity securities		3947
i. Includes gains or (losses) OTC market making in exchange listed equity securities	3943	
b. From trading in debt securities		3947
c. From market making in options on a national securities exchange		3947
d. From all other trading		3947
e. Total gains or (losses)		3950

3. Gains or losses on firm securities investment accounts

a. Includes realized gains (losses)	4235	
b. Includes unrealized gains (losses)	(4448)	4235
c. Total realized and unrealized gains (losses)		3950

Profits or (losses) from underwriting and selling groups 3955

a. Includes underwriting income from corporate equity securities 4237

Margin interest 3960

Revenue from sale of investment company shares 3970

Fees for account supervision, investment advisory and administrative services 3975

Revenue from research services 3980

Commodities revenue 3990

Other revenue related to securities business 3985

Other revenue 3995

Total revenue \$ 356204 4030

PENSES

Registered representatives' compensation \$ 4110

Clerical and administrative employees' expenses 4040

Salaries and other employment costs for general partners, and voting stockholder officers 4120

a. Includes interest credited to General and Limited Partners capital accounts 4130

Floor brokerage paid to certain brokers (see definition) 4055

Commissions and clearance paid to all other brokers (see definition) 73247 4145

Clearance paid to non-brokers (see definition) 4135

Communications 7171 4060

Occupancy and equipment costs 4080

Promotional costs 4150

Interest expense 4075

a. Includes interest on accounts subject to subordination agreements 4070

Losses in error account and bad debts 4170

Data processing costs (including service bureau service charges) 4185

Non-recurring charges 4190

Regulatory fees and expenses 4195

Other expenses 88243 4100

Total expenses \$ 377362 4200

NET INCOME

Income (loss) before Federal income taxes and items below (Item 12 less Item 28) \$ (-21158) 4210

Provision for Federal income taxes (for parent only) 4220

Equity in earnings (losses) of unconsolidated subsidiaries not included above 4222

a. After Federal income taxes of 4238

Extraordinary gains (losses) 4224

a. After Federal income taxes of 4239

Cumulative effect of changes in accounting principles 4225

Net income (loss) after Federal income taxes and extraordinary items \$ (-21158) 4230

MONTHLY INCOME

Income (current month only) before provision for Federal income taxes and extraordinary items \$ 4211

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

**BROKER OR DEALER**

Gerson Horowitz Green Securities Corp

as of 09/30/02

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)**

**EXEMPTIVE PROVISIONS**

28. 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 ..... \$ \_\_\_\_\_
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained ..... \$ \_\_\_\_\_
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 4335 ..... \$ \_\_\_\_\_
- D. (k) (3)—Exempted by order of the Commission ..... \$ \_\_\_\_\_

Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and the number of items of:

- 1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. Notes A and B ..... \$ \_\_\_\_\_
  - A. Number of Items ..... \$ \_\_\_\_\_
- 2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B, C and D ..... \$ \_\_\_\_\_
  - A. Number of Items ..... \$ \_\_\_\_\_
- 3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 ..... Yes  4584 No \_\_\_\_\_

OMIT

**NOTES**

- A—Do not include in item one customers' fully paid and excess margin securities required by Rule 15c3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent within the time frames specified under Rule 15c3-3.
- B—State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C—Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D—Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

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

**BROKER OR DEALER**

Gerson Horowitz Green Securities Corp

as of 09/30/02

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

**CREDIT BALANCES**

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

**DEBIT BALANCES**

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

**RESERVE COMPUTATION**

10. Excess of total debits over total credits (line 19 less line 11)	▼ \$	4469	
11. Excess of total credits over total debits (line 11 less line 19)		4425	
2. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits		4646	
3. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period		4646	
4. Amount of deposit (or withdrawal) including \$ 4515 value of qualified securities		4515	
5. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ 4525 value of qualified securities		4525	
6. Date of deposit (MMDDYY)			\$ 4525

OMIT PERCENTAGE

**FREQUENCY OF COMPUTATION**

7. Daily ▼ 4332 Weekly 4333 Monthly 4334

\*\*In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

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

**ROKER OR DEALER**

Gerson Horowitz Green Securities Corp.

as of 09/30/02

**COMPUTATION OF NET CAPITAL**

<p>I Total ownership equity (from Statement of Financial Condition - Item 1800).....</p> <p>II Deduct: Ownership equity not allowable for net capital .....</p> <p>Total ownership equity qualified for net capital.....</p> <p>Add</p> <p>A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....</p> <p>B Other (deductions) or allowable credits (List).....</p> <p>Total capital and allowable subordinated liabilities.....</p> <p>Deductions and/or charges:</p> <p>A. Total non-allowable assets from Statement of Financial Condition (Note B and C) .....</p> <p>    1. Additional charges for customers' and non-customers' security accounts .....</p> <p>    2. Additional charges for customers' and non-customers' commodity accounts.....</p> <p>B. Aged fail-to-deliver.....</p> <p>    1. Number of items .....</p> <p>C. Aged short security differences-less reserve of .....</p> <p>    number of items.....</p> <p>D. Secured demand note deficiency .....</p> <p>E. Commodity futures contracts and spot commodities proprietary capital charges .....</p> <p>F. Other deductions and/or charges .....</p> <p>G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ..</p> <p>H. Total deductions and/or charges .....</p> <p>Other additions and/or allowable credits (List).....</p> <p>Net Capital before haircuts on securities positions.....</p> <p>Haircuts on securities: (computed, where applicable, pursuant to 15c3-1 (f) ).</p> <p>A. Contractual securities commitments .....</p> <p>B. Subordinated securities borrowings .....</p> <p>C. Trading and Investment securities:</p> <p>    1. Bankers' acceptances, certificates of deposit and commercial paper .....</p> <p>    2. U.S. and Canadian government obligations .....</p> <p>    3. State and municipal government obligations .....</p> <p>    4. Corporate obligations .....</p> <p>    5. Stocks and warrants.....</p> <p>    6. Options .....</p> <p>    7. Arbitrage .....</p> <p>    8. Other securities .....</p> <p>D. Unlue concentration.....</p> <p>E. Other (list).....</p> <p>Net Capital .....</p>	<table border="0" style="width:100%; border-collapse: collapse;"> <tr><td>\$</td><td>207960</td><td>3487</td></tr> <tr><td>(</td><td></td><td>3495</td></tr> <tr><td></td><td>207960</td><td>3500</td></tr> <tr><td></td><td></td><td>3520</td></tr> <tr><td></td><td></td><td>3525</td></tr> <tr><td>\$</td><td>207960</td><td>3530</td></tr> <tr><td>\$</td><td>22931</td><td>3540</td></tr> <tr><td></td><td></td><td>3550</td></tr> <tr><td></td><td></td><td>3560</td></tr> <tr><td></td><td></td><td>3570</td></tr> <tr><td></td><td>3450</td><td></td></tr> <tr><td>\$</td><td>3460</td><td>3580</td></tr> <tr><td></td><td>3470</td><td></td></tr> <tr><td></td><td></td><td>3590</td></tr> <tr><td></td><td></td><td>3600</td></tr> <tr><td></td><td></td><td>3610</td></tr> <tr><td></td><td></td><td>3615</td></tr> <tr><td>(</td><td>(22931)</td><td>3620</td></tr> <tr><td></td><td></td><td>3630</td></tr> <tr><td>\$</td><td>185029</td><td>3640</td></tr> <tr><td></td><td></td><td>3660</td></tr> <tr><td></td><td></td><td>3670</td></tr> <tr><td></td><td></td><td>3680</td></tr> <tr><td></td><td></td><td>3690</td></tr> <tr><td></td><td></td><td>3700</td></tr> <tr><td></td><td>1256</td><td>3710</td></tr> <tr><td></td><td>7119</td><td>3720</td></tr> <tr><td></td><td></td><td>3730</td></tr> <tr><td></td><td></td><td>3732</td></tr> <tr><td></td><td>29763</td><td>3734</td></tr> <tr><td></td><td></td><td>3650</td></tr> <tr><td></td><td></td><td>3736</td></tr> <tr><td>(</td><td>11351</td><td>3740</td></tr> <tr><td>\$</td><td>173678</td><td>3750</td></tr> </table>	\$	207960	3487	(		3495		207960	3500			3520			3525	\$	207960	3530	\$	22931	3540			3550			3560			3570		3450		\$	3460	3580		3470				3590			3600			3610			3615	(	(22931)	3620			3630	\$	185029	3640			3660			3670			3680			3690			3700		1256	3710		7119	3720			3730			3732		29763	3734			3650			3736	(	11351	3740	\$	173678	3750
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OMIT PERIOD

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

**BROKER OR DEALER**

as of 09/30/02

Gerson Horowitz Green Securities Corp.

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	<u>190</u>
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	<u>100000</u>
13. Net capital requirement (greater of line 11 or 12)	\$	<u>100000</u>
14. Excess net capital (line 10 less 13)	\$	<u>73678</u>
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	<u>173393</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	<u>2848</u>
17. Add:		
A. Drafts for immediate credit	\$	<u>3800</u>
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	<u>3810</u>
C. Other unrecorded amounts (List)	\$	<u>3820</u>
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (viii))	\$	
19. Total aggregate indebtedness	\$	<u>2848</u>
20. Percentage of aggregate indebtedness to net capital (line 19 — by line 10)	%	<u>1.64%</u>
21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 — by line 10 less Item 4880 page 11)	%	<u>1.64%</u>

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

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

**OTHER RATIOS**

**Part C**

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

**NOTES:**

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

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

**BROKER OR DEALER**

as of 09/30/02

Gerson Horowitz Green Securities Corp

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.

N/A

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect: to Renew (yes or no)	
4600		4601	4602 \$	4603	4604	4605
4610		4611	4612	4613	4614	4615
4620		4621	4622	4623	4624	4625
4630		4631	4632	4633	4634	4635
4640		4641	4642	4643	4644	4645
4650		4651	4652	4653	4654	4655
4660		4661	4662	4663	4664	4665
4670		4671	4672	4673	4674	4675
4680		4681	4682	4683	4684	4685
4690		4691	4692	4693	4694	4695
			TOTAL \$	4699*		

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\*To agree with the total on Recap (Item No. 4880)

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

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

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

**BROKER OR DEALER**

Green Horowitz Green Securities Corp

as of 09/30/02

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION**

**CUSTOMERS' REGULATED COMMODITY FUTURES ACCOUNTS**

**SEGREGATION REQUIREMENTS**

N/A

**1. Net ledger balance:**

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

**FUNDS ON DEPOSIT IN SEGREGATION**

**7. Deposited in segregated funds bank accounts:**

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

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## Capital Withdrawals

### PART II

**BROKER OR DEALER**

For the period (MMDDYY) from 10/01/01 to 09/30/02

Gerson Horowitz Green Securities Corp

#### RECAP

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

**1. Equity Capital**

**A. Partnership Capital:**

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

**B. Corporation Capital:**

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

**Subordinated Liabilities**

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

**Other Anticipated Withdrawals**

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

Total .....

	\$	4880
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**Description of Other**

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

Balance, beginning of period .....		229118	4240
A. Net income (loss) .....		( 21158)	4250
B. Additions (Includes non-conforming capital of .....	\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
Balance, end of period (From Item 1800) .....	\$	207960	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

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

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART II

BOOKER OR DEALER

Gerson Horowitz Green Securities Corp

as of 09/30/02

## FINANCIAL AND OPERATIONAL DATA

Month end total number of stock record breaks unresolved over three business days	Valuation	Number
A breaks long	\$ <span style="border: 1px solid black; padding: 2px;">4890</span>	<span style="border: 1px solid black; padding: 2px;">4900</span>
B breaks short	\$ <span style="border: 1px solid black; padding: 2px;">4910</span>	<span style="border: 1px solid black; padding: 2px;">4920</span>

Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter? (Check one)

Yes <input type="checkbox"/>	<span style="border: 1px solid black; padding: 2px;">4930</span>	No <input type="checkbox"/>	<span style="border: 1px solid black; padding: 2px;">4940</span>
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All if response is negative attach explanation of steps being taken to comply with Rule 17a-13

Personnel employed at end of reporting period

A Income producing personnel	<span style="border: 1px solid black; padding: 2px;">4950</span>
B Non-income producing personnel (all other)	<span style="border: 1px solid black; padding: 2px;">4960</span>
C Total	<span style="border: 1px solid black; padding: 2px;">4970</span>
Actual number of tickets executed during current month of reporting period	<span style="border: 1px solid black; padding: 2px;">4980</span>
Number of corrected customer confirmations mailed after settlement date	<span style="border: 1px solid black; padding: 2px;">4990</span>

	No. of Items	Debit (Short Value)	No. of Items	Credit (Long Value)
Money differences	<span style="border: 1px solid black; padding: 2px;">5000</span>	\$ <span style="border: 1px solid black; padding: 2px;">5010</span>	<span style="border: 1px solid black; padding: 2px;">5020</span>	\$ <span style="border: 1px solid black; padding: 2px;">5030</span>
Security suspense accounts	<span style="border: 1px solid black; padding: 2px;">5040</span>	\$ <span style="border: 1px solid black; padding: 2px;">5050</span>	<span style="border: 1px solid black; padding: 2px;">5060</span>	\$ <span style="border: 1px solid black; padding: 2px;">5070</span>
Security difference accounts	<span style="border: 1px solid black; padding: 2px;">5080</span>	\$ <span style="border: 1px solid black; padding: 2px;">5090</span>	<span style="border: 1px solid black; padding: 2px;">5100</span>	\$ <span style="border: 1px solid black; padding: 2px;">5110</span>
Commodity suspense accounts	<span style="border: 1px solid black; padding: 2px;">5120</span>	\$ <span style="border: 1px solid black; padding: 2px;">5130</span>	<span style="border: 1px solid black; padding: 2px;">5140</span>	\$ <span style="border: 1px solid black; padding: 2px;">5150</span>

Open transactions with correspondents:

other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days	<span style="border: 1px solid black; padding: 2px;">5160</span>	\$ <span style="border: 1px solid black; padding: 2px;">5170</span>	<span style="border: 1px solid black; padding: 2px;">5180</span>	\$ <span style="border: 1px solid black; padding: 2px;">5190</span>
Bank account reconciliations-unresolved amounts over 30 calendar days	<span style="border: 1px solid black; padding: 2px;">5200</span>	\$ <span style="border: 1px solid black; padding: 2px;">5210</span>	<span style="border: 1px solid black; padding: 2px;">5220</span>	\$ <span style="border: 1px solid black; padding: 2px;">5230</span>
Open transfers over 40 calendar days, not confirmed	<span style="border: 1px solid black; padding: 2px;">5240</span>	\$ <span style="border: 1px solid black; padding: 2px;">5250</span>	<span style="border: 1px solid black; padding: 2px;">5260</span>	\$ <span style="border: 1px solid black; padding: 2px;">5270</span>
Transactions in reorganization accounts-over 60 calendar days	<span style="border: 1px solid black; padding: 2px;">5280</span>	\$ <span style="border: 1px solid black; padding: 2px;">5290</span>	<span style="border: 1px solid black; padding: 2px;">5300</span>	\$ <span style="border: 1px solid black; padding: 2px;">5310</span>
<b>Total</b>	<span style="border: 1px solid black; padding: 2px;">5320</span>	\$ <span style="border: 1px solid black; padding: 2px;">5330</span>	<span style="border: 1px solid black; padding: 2px;">5340</span>	\$ <span style="border: 1px solid black; padding: 2px;">5350</span>

Failed to deliver 5 business days or longer (21 business days or longer in the case of Municipal Securities)	No. of Items	Ledger Amount	Market Value
	<span style="border: 1px solid black; padding: 2px;">5360</span>	\$ <span style="border: 1px solid black; padding: 2px;">5361</span>	\$ <span style="border: 1px solid black; padding: 2px;">5362</span>

Failed to receive 5 business days or longer (21 business days or longer in the case of Municipal Securities)	<span style="border: 1px solid black; padding: 2px;">5363</span>	\$ <span style="border: 1px solid black; padding: 2px;">5364</span>	\$ <span style="border: 1px solid black; padding: 2px;">5365</span>
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Security concentrations (See instructions in Part I)

A Proprietary positions	\$ <span style="border: 1px solid black; padding: 2px;">5370</span>
B Customers' accounts under Rule 15c3-3	\$ <span style="border: 1px solid black; padding: 2px;">5374</span>
Total of personal capital borrowings due within six months	\$ <span style="border: 1px solid black; padding: 2px;">5378</span>
Maximum haircuts on underwriting commitments during the period	\$ <span style="border: 1px solid black; padding: 2px;">5380</span>
Planned capital expenditures for business expansion during next six months	\$ <span style="border: 1px solid black; padding: 2px;">5382</span>
Liabilities of other individuals or organizations guaranteed by respondent	\$ <span style="border: 1px solid black; padding: 2px;">5384</span>
Lease and rentals payable within one year	\$ <span style="border: 1px solid black; padding: 2px;">5386</span>
Aggregate lease and rental commitments payable for entire term of the lease	
A Gross	\$ <span style="border: 1px solid black; padding: 2px;">5388</span>
B Net	\$ <span style="border: 1px solid black; padding: 2px;">5390</span>

OMIT PENNIES

GERSON HOROWITZ GREEN SECURITIES CORP.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2002

Cash Funds – Sept. 30 2002		43,585
Cash Funds – Sept. 30 2001		<u>48,439</u>
(Decrease) in cash		<u>( 4,854)</u>
Sources of Cash-Operating Activities		
Net Income for period (Loss)	(21,158)	
Decrease in interest receivable	587	
Increase in Misc Assets	( 442)	
Decrease in accrued liabilities	<u>( 3,927)</u>	
Net uses of cash		( 24,940)
<u>Sources of Cash - Investment Activity</u>		
Reduction in investment portfolio		<u>29,450</u>
Uses – Financing activities		
Loans & advances increased		<u>( 9,364)</u>
Net (Decrease) in cash		<u>\$ ( 4,854)</u>