



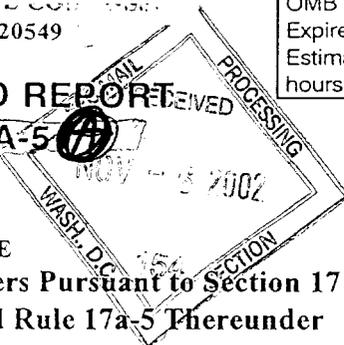
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

11-21-02

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



SEC FILE NUMBER
8- 53358

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 07/01/01 AND ENDING 06/30/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Palmer & Cay Securities Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

9020 Stony Point Parkway, Suite 200

(No. and Street)

Richmond,

Virginia

23235

(City)

(State)

(Zip Code)

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

James P. Scott

(804) 267-3194

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Hancock, Askew & Co., LLP

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

570 E. York Street

Savannah,

Georgia

31401

(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 30 2002

**THOMSON
FINANCIAL**

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

SEC 1410 (06-02)

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P5
12/11/02

Palmer & Cay Securities Corporation
Computation of Net Capital Under Rule 15c3-1 of the Securities and
Exchange Commission
As of June 30, 2002

Shareholder's Equity Qualified for Net Capital	\$ 28,628
Less Nonallowable Assets:	
Due from Parent Company	(11,800)
Prepaid Expenses	<u>(1,450)</u>
Net Capital	15,378
Aggregate Indebtedness	0
Minimum Net Capital Requirement	<u>5,000</u>
Excess Net Capital	<u>\$ 10,378</u>

Reconciliation with Company's Computation included in
Part IIA of Form X-17A-5 as of June 30, 2002

Net capital, as reported in Company's Part IIA FOCUS report	\$ 15,379
Rounding	<u>(1)</u>
Net Capital per above	<u>\$ 15,378</u>