

BB 2/21  
 OMB APPROVAL  
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UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

ANNUAL AUDITED REPORT  
 FORM X-17A-5  
 PART III FEB 12 2003

SEC FILE NUMBER  
 8- 35565

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 1/1/2002 AND ENDING 12/31/2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
 Raphael Aryeh and Associates

OFFICIAL USE ONLY  
 FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
 141-51 72nd Crescent

Flushing New York 11367

(City) (State) (Zip Code)

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

10-017858-3  
 RAPHAEL ARYEH AND ASSOCIATES  
 141-51 72ND CRESCENT  
 FLUSHING NY 11367  
 Raphael Aryeh (718) 263-4852  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
 Mr. Herman Senft

136-26 72nd Avenue, Flushing, New York 11367

(Address) (City) (State) (Zip Code)

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

PROCESSED

MAR 10 2003

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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).

**OATH OR AFFIRMATION**

I, Raphael Aryeh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Raphael Aryeh And Associates, as of December 31, 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:

NONE

Raphael Aryeh

Signature

General Partner

Title

Marsha Johnson-Tuo  
Notary Public

MARSHA JOHNSON-TUO  
Notary Public, State of New York  
No. 01JO6082236  
Qualified in Queens County  
Commission Expires 10/21/2006

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. (Statement of Cash Flow)
- (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).

**FORM  
X-17A-5**

**FOCUS REPORT**

OMB NO. 3235-0123  
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART IIA**  12

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(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

RAPHAEL ARYEH AND ASSOCIATES  13

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FIRM ID. NO.

17858  15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

141-51 72nd Crescent  20

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

1/1/2002  24

Flushing  21 New York  22 11367  23

(City)

(State)

(Zip Code)

AND ENDING (MM/DD/YY)

12/31/2002  25

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

Raphael Aryeh  30

(Area Code)—Telephone No.

(718) 263-4852  31

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

32

34

36

38

OFFICIAL USE

33

35

37

39

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

Dated the 7 day of February, 2003

Manual signatures of:

1) Raphael Aryeh  
Principal Executive Officer or Managing Partner

2) Same  
Principal Financial Officer or Partner

3) Same  
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. 78f(a))

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

BROKER OR DEALER

Raphael Aryeh and Associates

**N 3**

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

as of (MM/DD/YY) 12/31/2002 99  
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 Consolidated  198  
 Unconsolidated  199

**ASSETS**

|                                                                                                                                                        | <u>Allowable</u> | <u>Non-Allowable</u> | <u>Total</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|--------------|
| 1. Cash                                                                                                                                                | \$ 77,979        | 200                  | \$ 77,979    |
| 2. Receivables from brokers or dealers:                                                                                                                |                  |                      |              |
| A. Clearance account                                                                                                                                   | 295              |                      |              |
| B. Other                                                                                                                                               | 300              | 550                  | 850          |
| 3. Receivables from non-customers                                                                                                                      | 355              | 800                  | 830          |
| 4. Securities and spot commodities owned, at market value:                                                                                             |                  |                      |              |
| A. Exempted securities                                                                                                                                 | 418              |                      |              |
| B. Debt securities                                                                                                                                     | 419              |                      |              |
| C. Options                                                                                                                                             | 420              |                      |              |
| D. Other securities                                                                                                                                    | 424              |                      |              |
| E. Spot commodities                                                                                                                                    | 430              |                      | 850          |
| 5. Securities and/or other investments not readily marketable:                                                                                         |                  |                      |              |
| A. At cost                                                                                                                                             | 130              |                      |              |
| B. At estimated fair value                                                                                                                             | 440              | 610                  | 860          |
| 6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:                       | 460              | 630                  | 880          |
| A. Exempted securities                                                                                                                                 | 150              |                      |              |
| B. Other securities                                                                                                                                    | 160              |                      |              |
| 7. Secured demand notes:                                                                                                                               | 470              | 640                  | 890          |
| market value of collateral:                                                                                                                            |                  |                      |              |
| A. Exempted securities                                                                                                                                 | 170              |                      |              |
| B. Other securities                                                                                                                                    | 180              |                      |              |
| 8. Memberships in exchanges:                                                                                                                           |                  |                      |              |
| A. Owned, at market                                                                                                                                    | 190              |                      |              |
| B. Owned, at cost                                                                                                                                      |                  | 650                  |              |
| C. Contributed for use of the company, at market value                                                                                                 |                  | 660                  | 900          |
| 9. Investment in and receivables from affiliates, subsidiaries and associated partnerships                                                             | 480              | 670                  | 910          |
| 10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization | 490              | 1,448                | 1,448        |
| 11. Other assets                                                                                                                                       | 535              | 43                   | 930          |
| 12. TOTAL ASSETS                                                                                                                                       | \$ 77,979        | \$ 2,291             | \$ 80,270    |

OMIT PENNIES

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

**BROKER OR DEALER**

Raphael Aryeh and Associates

as of 12/31/2002

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

**LIABILITIES AND OWNERSHIP EQUITY**

| <u>Liabilities</u>                                                         | <u>A.I.<br/>Liabilities</u> | <u>Non-A.I.<br/>Liabilities</u> | <u>Total</u> |
|----------------------------------------------------------------------------|-----------------------------|---------------------------------|--------------|
| 13. Bank loans payable                                                     | \$ 1045                     | \$ 1255                         | \$ 1470      |
| 14. Payable to brokers or dealers:                                         |                             |                                 |              |
| A. Clearance account                                                       | 1114                        | 1315                            | 1560         |
| B. Other                                                                   | 1115                        | 1305                            | 1540         |
| 15. Payable to non-customers                                               | 1155                        | 1355                            | 1610         |
| 16. Securities sold not yet purchased,<br>at market value                  |                             | 1360                            | 1620         |
| 17. Accounts payable, accrued liabilities,<br>expenses and other           | 1205                        | 1385                            | 1685         |
| 18. Notes and mortgages payable:                                           |                             |                                 |              |
| A. Unsecured                                                               | 1210                        |                                 | 1690         |
| B. Secured                                                                 | 1211                        | 1390                            | 1700         |
| 19. Liabilities subordinated to claims<br>of general creditors:            |                             |                                 |              |
| A. Cash borrowings:                                                        |                             | 1400                            | 1710         |
| 1. from outsiders                                                          | \$ 970                      |                                 |              |
| 2. Includes equity subordination (15c3-1 (d))<br>of                        | \$ 980                      |                                 |              |
| B. Securities borrowings, at market value:<br>from outsiders               | \$ 990                      | 1410                            | 1720         |
| C. Pursuant to secured demand note<br>collateral agreements:               |                             | 1420                            | 1730         |
| 1. from outsiders                                                          | \$ 1000                     |                                 |              |
| 2. Includes equity subordination (15c3-1 (d))<br>of                        | \$ 1010                     |                                 |              |
| D. Exchange memberships contributed for<br>use of company, at market value |                             | 1430                            | 1740         |
| E. Accounts and other borrowings not<br>qualified for net capital purposes | 525                         | 1220                            | 1750         |
| 20. TOTAL LIABILITIES                                                      | \$ 525 1230                 | \$ 1450                         | \$ 525 1760  |

**Ownership Equity**

|                                            |           |      |                |
|--------------------------------------------|-----------|------|----------------|
| 21. Sole proprietorship                    |           |      | \$ 1770        |
| 22. Partnership (limited partners)         | \$ 79,745 | 1020 | \$ 79,745 1780 |
| 23. Corporation:                           |           |      |                |
| A. Preferred stock                         |           |      | 1791           |
| B. Common stock                            |           |      | 1792           |
| C. Additional paid-in capital              |           |      | 1793           |
| D. Retained earnings                       |           |      | 1794           |
| E. Total                                   |           |      | 1795           |
| F. Less capital stock in treasury          |           |      | 1796           |
| 24. TOTAL OWNERSHIP EQUITY                 |           |      | \$ 79,745 1800 |
| 25. TOTAL LIABILITIES AND OWNERSHIP EQUITY |           |      | \$ 80,270 1810 |

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

**BROKER OR DEALER**

Raphael Aryeh and Associates

as of 12/31/2002

**COMPUTATION OF NET CAPITAL**

|                                                                                                          |    |        |         |        |
|----------------------------------------------------------------------------------------------------------|----|--------|---------|--------|
| 1. Total ownership equity from Statement of Financial Condition .....                                    | \$ | 79,745 |         | 3480   |
| 2. Deduct ownership equity not allowable for Net Capital .....                                           | \$ | (      | 3490    | )      |
| 3. Total ownership equity qualified for Net Capital .....                                                |    | 79,745 |         | 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 .....                                            | \$ | 79,745 |         | 3530   |
| 6. Deductions and/or charges:                                                                            |    |        |         |        |
| A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$                    |    | 2,291  |         | 3540   |
| B. Secured demand note deficiency .....                                                                  |    |        |         | 3590   |
| C. Commodity futures contracts and spot commodities-<br>proprietary capital charges .....                |    |        |         | 3600   |
| D. Other deductions and/or charges .....                                                                 |    | 551    |         | 3610   |
| 7. Other additions and/or allowable credits (List) .....                                                 |    |        | ( 2,842 | ) 3620 |
| 8. Net capital before haircuts on securities positions .....                                             | \$ | 76,903 |         | 3640   |
| 9. Haircuts on securities (computed, where applicable,<br>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 .....                                                                                 |    |        |         | 3733   |
| 3. Options .....                                                                                         |    |        |         | 3730   |
| 4. Other securities .....                                                                                |    |        |         | 3734   |
| D. Undue Concentration .....                                                                             |    |        |         | 3650   |
| E. Other (List) .....                                                                                    |    |        |         | 3736   |
| 10. Net Capital .....                                                                                    | \$ | 76,903 |         | 3740   |
|                                                                                                          |    |        |         | 3750   |

OMIT PENNIES

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

**BROKER OR DEALER**

Raphael Aryeh and Associates

as of 12/31/2002

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

|                                                                                                                                                                   |    |        |      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------|------|
| 11. Minimum net capital required (6-2/3% of line 19)                                                                                                              | \$ | 35     | 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) | \$ | 5,000  | 3758 |
| 13. Net capital requirement (greater of line 11 or 12)                                                                                                            | \$ | 5,000  | 3760 |
| 14. Excess net capital (line 10 less 13)                                                                                                                          | \$ | 71,903 | 3770 |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19)                                                                                                     | \$ | 76,850 | 3780 |

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

|                                                                                          |    |        |      |
|------------------------------------------------------------------------------------------|----|--------|------|
| 16. Total A.I. liabilities from Statement of Financial Condition                         | \$ | 525    | 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                                                         | \$ | 525    | 3840 |
| 20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)           | %  | 0.6827 | 3850 |
| 21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (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 the net capital computation including both brokers or dealers and consolidated subsidiaries' debits | \$ |  | 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:                                                                                                                                                                                                                |    |  |      |
| 5% of combined aggregate debit items or \$120,000                                                                                                                                                                                            | \$ |  | 3920 |

OMIT PENNIES

**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 note 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 IIA**

**BROKER OR DEALER**

Raphael Aryeh and Associates

For the period (MMDDYY) from 1/1/2002 3932 to 12/31/02 3933  
 Number of months included in this statement 12 3931

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

|                                                                                             |    |        |      |
|---------------------------------------------------------------------------------------------|----|--------|------|
| 1. Commissions:                                                                             |    |        |      |
| a. Commissions on transactions in exchange listed equity securities executed on an exchange | \$ |        | 3935 |
| b. Commissions on listed option transactions                                                |    |        | 3938 |
| c. All other securities commissions                                                         |    | 24,607 | 3939 |
| d. Total securities commissions                                                             |    | 24,607 | 3940 |
| 2. Gains or losses on firm securities trading accounts                                      |    |        |      |
| a. From market making in options on a national securities exchange                          |    |        | 3945 |
| b. From all other trading                                                                   |    |        | 3949 |
| c. Total gain (loss)                                                                        |    |        | 3950 |
| 3. Gains or losses on firm securities investment accounts                                   |    | 1,239  | 3952 |
| 4. Profit (loss) from underwriting and selling groups                                       |    |        | 3955 |
| 5. Revenue from sale of investment company shares                                           |    |        | 3970 |
| 6. Commodities revenue                                                                      |    |        | 3990 |
| 7. Fees for account supervision, investment advisory and administrative services            |    |        | 3975 |
| 8. Other revenue                                                                            |    | 1,365  | 3995 |
| 9. Total revenue                                                                            | \$ | 27,211 | 4030 |

**EXPENSES**

|                                                                                              |    |        |       |
|----------------------------------------------------------------------------------------------|----|--------|-------|
| 10. Salaries and other employment costs for general partners and voting stockholder officers | \$ |        | 4120  |
| 11. Other employee compensation and benefits                                                 |    |        | 4115  |
| 12. Commissions paid to other broker-dealers                                                 |    |        | 4140  |
| 13. Interest expense                                                                         |    |        | 4075  |
| a. Includes interest on accounts subject to subordination agreements                         |    | 4070   | 2,009 |
| 14. Regulatory fees and expenses                                                             |    |        | 4195  |
| 15. Other expenses                                                                           |    | 26,768 | 4100  |
| 16. Total expenses                                                                           | \$ | 28,777 | 4200  |

**NET INCOME**

|                                                                                         |    |        |      |
|-----------------------------------------------------------------------------------------|----|--------|------|
| 17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16) | \$ | -1,566 | 4210 |
| 18. Provision for Federal income taxes (for parent only)                                |    |        | 4220 |
| 19. Equity in earnings (losses) of unconsolidated subsidiaries not included above       |    |        | 4222 |
| a. After Federal income taxes of                                                        |    | 4233   |      |
| 20. Extraordinary gains (losses)                                                        |    |        | 4224 |
| a. After Federal income taxes of                                                        |    | 4239   |      |
| 21. Cumulative effect of changes in accounting principles                               |    |        | 4225 |
| 22. Net income (loss) after Federal income taxes and extraordinary items                | \$ |        | 4230 |

**MONTHLY INCOME**

|                                                                                                   |    |      |      |
|---------------------------------------------------------------------------------------------------|----|------|------|
| 23. Income (current month only) before provision for Federal income taxes and extraordinary items | \$ | -812 | 4211 |
|---------------------------------------------------------------------------------------------------|----|------|------|

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

**BROKER OR DEALER**

Rapahel Aryeh and Associates

For the period (MMDDYY) from 1/1/2002 to 12/31/2002

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

|                                                         |    |       |        |      |      |
|---------------------------------------------------------|----|-------|--------|------|------|
| 1. Balance, beginning of period .....                   |    | \$    | 80,259 |      | 4240 |
| A. Net income (loss) .....                              |    |       | -1,566 |      | 4250 |
| B. Additions (Includes non-conforming capital of .....  | \$ | 1,052 |        | 4262 | 4260 |
| C. Deductions (Includes non-conforming capital of ..... | \$ |       |        | 4272 | 4270 |
| 2. Balance, end of period (From item 1800) .....        |    | \$    | 79,745 |      | 4290 |

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

|                                                  |  |    |  |  |      |
|--------------------------------------------------|--|----|--|--|------|
| 3. Balance, beginning of period .....            |  | \$ |  |  | 4300 |
| A. Increases .....                               |  |    |  |  | 4310 |
| B. Decreases .....                               |  |    |  |  | 4320 |
| 4. Balance, end of period (From item 3520) ..... |  | \$ |  |  | 4330 |

OMIT PENNIES

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

**BROKER OR DEALER**

Raphael Aryeh and Associates

as of 12/31/2002

**Exemptive Provision 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 ..... \$5,000 required ..... 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 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<br>See below for code to enter | Name of Lender or Contributor | Insider or Outsider?<br>(In or Out) | Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities) | (MMDDYY)<br>Withdrawal or Maturity Date | Expect to Renew<br>(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

# FORM X-17A-5

# FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

## Schedule I

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17a-5

Report for the Calendar Year 19 8004  
or if less than 12 months

Report for the period beginning 1/1/2002 8005 and ending 12/31/2002 8006  
MM DD YY

| SEC FILE NUMBER |       |
|-----------------|-------|
| 8-              | 35565 |
|                 | 8011  |

|                                                          |      |     |                                 |      |
|----------------------------------------------------------|------|-----|---------------------------------|------|
| 1. NAME OF BROKER DEALER<br>RAPHAEL ARYEH AND ASSOCIATES | 8020 | N 9 | OFFICIAL USE ONLY               | 8021 |
|                                                          |      |     | <small>Firm No. M M Y Y</small> |      |

2. Name(s) of broker-dealer(s) merging with respondent during reporting period:

|            |      |                   |      |
|------------|------|-------------------|------|
| NAME: NONE | 8053 | OFFICIAL USE ONLY | 8054 |
| NAME:      | 8054 | 748               | 8055 |
| NAME:      | 8055 |                   | 8056 |
| NAME:      | 8056 |                   |      |

3. Respondent conducts a securities business exclusively with registered broker-dealers:  
(enter applicable code: 1=Yes 2=No) 1 807:

4. Respondent is registered as a specialist on a national securities exchange:  
(enter applicable code: 1=Yes 2=No) 2 807:

5. Respondent makes markets in the following securities:

(a) equity securities ..... (enter applicable code: 1=Yes 2=No) 2 807:

(b) municipals. .... (enter applicable code: 1=Yes 2=No) 2 807:

(c) other debt instruments. .... (enter applicable code: 1=Yes 2=No) 2 807:

6. Respondent is registered solely as a municipal bond dealer:  
(enter applicable code: 1=Yes 2=No) 2 807:

7. Respondent is an insurance company or an affiliate of an insurance company:  
(enter applicable code: 1=Yes 2=No) 2 807:

8. Respondent carries its own public customer accounts:  
(enter applicable code: 1=Yes 2=No) 2 808:

9. Respondent's total number of public customers accounts:  
(carrying firms filing X-17A-5 Part II only)

(a) Public customer accounts ..... N/A ..... 808:

(b) Omnibus accounts ..... N/A ..... 808:

10. Respondent clears its public customer and/or proprietary accounts:  
(enter applicable code: 1=Yes 2=No) 2 808:

141-91 72nd Street  
 FLUSHING, NY 11357  
 (718) 263-4852

# FOCUS REPORT

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RAPHAEL ARYCH  
 141-91 72nd Street  
 FLUSHING, NY 11357  
 (718) 263-4852

11. Respondent clears its public customer accounts in the following manner:

(enter a "1" in appropriate boxes)

- (a) Direct Mail (New York Stock Exchange Members Only) .....  8086
- (b) Self-Clearing .....  8087
- (c) Omnibus .....  8088
- (d) Introducing .....  8089
- (e) Other .....  8090

N/A

If Other please describe:

- (f) Not applicable .....  8091

12. (a) Respondent maintains membership(s) on national securities exchange(s):

(enter applicable code: 1=Yes 2=No)

- (b) Names of national securities exchange(s) in which respondent maintains memberships: .....  2  8100

(enter a "1" in appropriate boxes)

- (1) American .....  8120
- (2) Boston .....  8121
- (3) CBOE .....  8122
- (4) Midwest .....  8123
- (5) New York .....  8124
- (6) Philadelphia .....  8125
- (7) Pacific Coast .....  8126
- (8) Other .....  8129

13. Employees:

- (a) Number of full-time employees .....  2  8101

- (b) Number of full-time registered representatives employed by respondent included in 13 (a) .....  0  8102

- 14. Number of NASDAQ stocks respondent makes market .....  0  8103

- 15. Total number of underwriting syndicates respondent was a member .....  0  8104

(Carrying or clearing firms filing X-17A-5 Part II)

- 16. Number of respondent's public customer transactions: Actual .....  0  8105
- Estimate .....  0  8106

- (a) equity securities transactions effected on a national securities exchange .....  0  8107

- (b) equity securities transactions effected other than on a national securities exchange .....  0  8108

- (c) commodity, bond, option, and other transactions effected on or off a national securities exchange .....  0  8109

RAFAEL ARYER AND  
147-51 72nd Ct  
FLUSHING, NY 11357  
(718) 263-4852

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RAFAEL ARYER AND  
147-51 72nd Ct  
FLUSHING, NY 11357  
(718) 263-4852

17. Respondent is a member of the Securities Investor Protection Corporation  
(enter applicable code: 1=Yes 2=No)  1  8111

18. Number of branch offices operated by respondent. ....  0  8112

19. Respondent is an affiliate or subsidiary of a foreign broker-dealer  
or bank (enter applicable code: 1=Yes 2=No)  2  8113

20. (a) Respondent is a subsidiary of a registered broker-dealer  
(enter applicable code: 1=Yes 2=No)  2  8114

(b) Name of parent <sup>12</sup>  8116

21. Respondent is a subsidiary of a parent which is not a registered broker  
or dealer (enter applicable code: 1=Yes 2=No)  2  8115

22. Respondent sends quarterly statements to customers pursuant to  
Rule 10b-10(b) in lieu of daily or immediate confirmations:  
(enter applicable code: 1=Yes 2=No)  2  8117

23. Aggregate Dollar Amount of Non-Exempted OTC Sales of Exchange-  
Listed Securities Done by Respondent During the Reporting Period ..... \$  0  8118

\*Required in any Schedule I filed for the calendar year 1978 and succeeding years.

*Raphael Ruch & Associates*  
*Statement of Income Profit and Loss*

|    | 1                            | 2          | 3          | 4                   | 5          | 6           |
|----|------------------------------|------------|------------|---------------------|------------|-------------|
|    | October                      | November   | December   | 4 <sup>th</sup> qtr | Year       |             |
|    | 2007                         | 2007       | 2007       | 2007                | 2007       |             |
| 1  | Commission Income            | 1,335.12   | 1,069.63   | 1,016.78            | 3,421.53   | 24,607.49   |
| 2  |                              | -          | -          | -                   | -          | -           |
| 3  | Rent                         | 125.00     | 125.00     | 125.00              | 375.00     | 1,500.00    |
| 4  | Electric                     | 48.20      | 46.40      | 66.25               | 160.85     | 718.75      |
| 5  | Telephone                    | 243.70     | 201.10     | 217.90              | 662.70     | 3,115.80    |
| 6  | Office Expenses              | 176.40     | 152.20     | 120.15              | 448.75     | 2,382.71    |
| 7  | Printing + Postage           |            |            |                     |            | 1,332.28    |
| 8  | Professional Fees            | 175.00     | 175.00     | 175.00              | 525.00     | 2,100.00    |
| 9  | Insurance                    | 184.00     | 2,139.00   | 2,139.00            | 6,098.00   | 21,668.00   |
| 10 | Business Courier             | 416.40     | 384.20     | 280.60              | 1,081.20   | 4,132.40    |
| 11 | Entertainment                |            |            |                     |            |             |
| 12 | Auto Expenses                | 258.50     | 202.75     | 178.10              | 639.35     | 2,533.70    |
| 13 | Paper + Travel               | 115.40     | 116.20     | 100.40              | 332.00     | 3,192.00    |
| 14 | Maintenance + Repairs        |            |            |                     |            |             |
| 15 | Licenses + Fees              | 160.00     |            | (96.00)             | 64.00      | 20,091.40   |
| 16 | Taxes Paid                   | 145.60     |            | 110.00              | 255.60     | 665.13      |
| 17 | Bank Charges                 | 20.00      | 20.60      | 20.20               | 60.80      | 226.75      |
| 18 | Computer Cost                |            |            |                     |            |             |
| 19 | Web-site                     | 10.95      | 10.95      | 10.95               | 32.85      | 160.59      |
| 20 |                              |            |            |                     |            |             |
| 21 |                              |            |            |                     |            |             |
| 22 |                              |            |            |                     |            |             |
| 23 | Depreciation                 | 311.68     | 311.68     | 311.68              | 935.04     | 3,740.16    |
| 27 |                              |            |            |                     |            |             |
| 28 |                              |            |            |                     |            |             |
| 29 |                              |            |            |                     |            |             |
| 30 |                              |            |            |                     |            |             |
| 31 | Total Expenses               | 2,388.83   | 2,549.85   | 1,759.73            | 6,708.41   | 28,776.91   |
| 32 |                              |            |            |                     |            |             |
| 33 | Profit from Operations       | (1,049.71) | (985.35)   | (742.95)            | (2,777.51) | (41,169.42) |
| 34 |                              |            |            |                     |            |             |
| 35 | Other Income - Interest      | 204.94     | 89.80      | 10.00               | 224.74     | 1,364.46    |
| 36 |                              |            |            |                     |            |             |
| 37 | Total Profit                 | (844.77)   | (976.37)   | (732.95)            | (2,552.77) | (28,049.96) |
| 38 |                              |            |            |                     |            |             |
| 39 | Profit (Loss) on Investment  | (368.00)   | (196.00)   | (80.00)             | (644.00)   | 1,239.00    |
| 40 | Profit (Loss) on Real Estate | (1,212.77) | (1,172.37) | (812.95)            | (3,198.10) | (1,516,596) |

# Raphael Arysth - Associates Balance Sheet

| Assets                      | October 31, 2007 | November 30, 2007 | December 31, 2007 |
|-----------------------------|------------------|-------------------|-------------------|
| Cash on Hand                | 1284371          | 1390444           | 1470151           |
| Accounts Receivable         |                  | 255               | 810029            |
| Treasury Bills - at market  | 6420300          | 7699671           | 6377700           |
| Prepaid Expenses            | 2071377          | 2071377           | 2071377           |
| Reserve for Depreciation    | 18614241         | 187136            | 175948            |
| Investments - at market     |                  |                   | 1926577           |
| Deposits                    |                  | 39440             | 21375             |
| Miscellaneous               |                  |                   | 4310              |
| <b>Total Assets</b>         |                  | <b>7936497</b>    | <b>7973965</b>    |
| <b>Liabilities</b>          |                  |                   |                   |
| Accounts Payable            |                  |                   |                   |
| Accrued Expenses            |                  | 17500             | 3500              |
| <b>Total Liabilities</b>    |                  | <b>17500</b>      | <b>3500</b>       |
| <b>Net Worth</b>            |                  |                   |                   |
| Retained Earnings Beginning | 6939593          | 6988884           | 7019976           |
| Adjustment to Capital       | 157840           | 1371200           | 116770            |
| Adjustment Net Worth        | 7097433          | 7125489           | 7136746           |
| Share of Profit             | (109149)         | (105513)          | (73120)           |
| <b>Total</b>                |                  | <b>6988884</b>    | <b>7019976</b>    |
| Drawings                    |                  |                   |                   |
| - Ending                    |                  |                   |                   |
| P. Arysth Beginning         | 943841           | 930713            | 918989            |
| Share of Profit             | (12128)          | (11724)           | (8125)            |
| - Ending                    |                  | 930713            | 918989            |
| <b>Total Net Worth</b>      |                  | <b>7918997</b>    | <b>7938965</b>    |
| <b>Total</b>                |                  | <b>7936497</b>    | <b>7973965</b>    |

Prepared By: \_\_\_\_\_  
 Approved By: \_\_\_\_\_

Raphael Arzchi Associates  
 Trial Balance

|              |          |      |
|--------------|----------|------|
| Prepared By: | Initials | Date |
| Approved By: |          |      |

| ACCOUNTANTS SUPPLY HOUSE NO. 7306 |                         | (1)             | (2)        | (3)              | (4)        | (5)              | (6)        |
|-----------------------------------|-------------------------|-----------------|------------|------------------|------------|------------------|------------|
| LINE NO                           |                         | October 31 2002 |            | November 30 2002 |            | December 31 2002 |            |
| 1                                 | Cash - Checking         | 3,726.66        |            | 3,720.66         |            | 3,318.66         |            |
| 2                                 | - Day's Day             | 12,471.05       |            | 13,552.16        |            | 13,869.65        |            |
| 3                                 | Accounts Receivable     |                 | 03<br>250  |                  | 03<br>500  | 8,100.29         | 03         |
| 4                                 | Treasury Bills - Cost   | 6,292.768       |            | 6,292.768        |            | 6,292.768        |            |
| 5                                 | Other Investments       |                 |            |                  |            |                  |            |
| 6                                 |                         |                 |            |                  |            |                  |            |
| 7                                 | Furniture - Fitter      | 20,713.77       |            | 20,713.77        |            | 20,713.77        |            |
| 8                                 | Reserve for Depreciat   |                 | 15,525.61  |                  | 15,525.61  |                  | 15,525.61  |
| 9                                 |                         |                 |            |                  |            |                  |            |
| 10                                | Partners Net Worth - RA |                 | 7,101.412  |                  | 7,101.412  |                  | 7,101.412  |
| 11                                | - PA                    |                 | 9,245.25   |                  | 9,245.25   |                  | 9,245.25   |
| 12                                | Drawings - RA           | 1,493.34        |            | 1,212.9          |            | 1,046.41         |            |
| 13                                |                         |                 |            |                  |            |                  |            |
| 14                                | Commission Income       |                 | 2,251.08   |                  | 2,359.71   |                  | 2,460.49   |
| 15                                |                         |                 |            |                  |            |                  |            |
| 16                                | Rent                    | 1,250.00        |            | 1,375.00         |            | 1,500.00         |            |
| 17                                | Electric                | 606.10          |            | 652.50           |            | 718.75           |            |
| 18                                | Telephone               | 2,562.80        |            | 2,863.90         |            | 3,115.80         |            |
| 19                                | Office Expenses         | 2,110.36        |            | 2,262.56         |            | 2,382.71         |            |
| 20                                | Professional Fees       | 1,575.00        |            | 1,575.00         |            | 1,575.00         |            |
| 21                                | Insurance               | 2,133.40        |            | 2,166.65         |            | 2,199.90         |            |
| 22                                | Business Promot         | 3,462.60        |            | 3,851.80         |            | 4,132.40         |            |
| 23                                | Auto Expenses           | 2,152.55        |            | 2,357.30         |            | 2,533.40         |            |
| 24                                | Paper & Tapes           | 1,024.0         |            | 1,218.60         |            | 1,319.00         |            |
| 25                                | Software                |                 |            |                  |            |                  |            |
| 26                                | Licenses - Registrants  | 2,105.14        |            | 2,105.14         |            | 2,009.14         |            |
| 27                                | Bank Charges            | 185.95          |            | 206.55           |            | 226.75           |            |
| 28                                | Taxes                   | 664.03          |            | 664.03           |            | 665.13           |            |
| 29                                | Web Site                | 138.69          |            | 149.64           |            | 160.59           |            |
| 30                                | Postage                 | 133.28          |            | 133.28           |            | 133.28           |            |
| 31                                | Supplies - Investment   |                 |            |                  |            |                  |            |
| 32                                | Interest & Dividends    |                 | 1345.48    |                  | 1354.46    |                  | 1364.46    |
| 33                                | Travel Exp              | 1878.00         |            | 1878.00          |            | 1878.00          |            |
| 34                                | Maint & Repair          |                 |            |                  |            |                  |            |
| 35                                |                         |                 |            |                  |            |                  |            |
| 36                                | Mark & Market           |                 | 389.68     |                  | 389.68     |                  | 389.68     |
| 37                                |                         |                 |            |                  |            |                  |            |
| 38                                |                         |                 |            |                  |            |                  |            |
| 39                                |                         |                 |            |                  |            |                  |            |
| 40                                |                         |                 |            |                  |            |                  |            |
|                                   |                         | 120,043.80      | 120,043.80 | 121,124.91       | 121,124.91 | 123,193.10       | 123,193.10 |

*Raphael Arcech + Associates*  
*Statement of Cash Flow*  
*for the year ended December 31, 2002*

|              |          |      |
|--------------|----------|------|
|              | Initials | Date |
| Prepared By: |          |      |
| Approved By: |          |      |

ACCOUNTANTS SUPPLY HOUSE NO. 7303

| L  | Description                                              | (1)        | (2)       | (3) |
|----|----------------------------------------------------------|------------|-----------|-----|
| 1  | Cash flow from Operating Activities                      |            |           |     |
| 2  | Net Profit for Period                                    | (156,596)  |           |     |
| 3  | Changes in Assets - Liabilities                          |            |           |     |
| 4  | (Increase) Decrease in Accounts Payable                  | (7,404)    |           |     |
| 5  | Increase (Decrease) in Fixed Assets                      |            |           |     |
| 6  | Depreciation Charged against Income                      | 3,740.16   |           |     |
| 7  | (Increase) Decrease in Prepaid Expenses                  | (43.10)    |           |     |
| 8  | (Increase) Decrease in Accounts Payable                  | (316.28)   |           |     |
| 9  |                                                          |            |           |     |
| 10 |                                                          |            |           |     |
| 11 | Total Cash Increase (Decrease) from Operating Activities |            | 1,008.1   |     |
| 12 |                                                          |            |           |     |
| 13 | Cash flow from Financing Activities                      |            |           |     |
| 14 | Partners' Investment (Withdrawals)                       | (1,051.44) |           |     |
| 15 |                                                          |            |           |     |
| 16 | Cash flow from Other Activities                          |            |           |     |
| 17 | Prepaid Commissions                                      |            |           |     |
| 18 |                                                          |            |           |     |
| 19 |                                                          |            |           |     |
| 20 |                                                          |            |           |     |
| 21 | Total Cash Increase (Decrease) from Other Activities     |            | 1,051.44  |     |
| 22 |                                                          |            |           |     |
| 23 |                                                          |            |           |     |
| 24 |                                                          |            |           |     |
| 25 | Net Increase (Decrease) in Cash and Cash Equivalents     |            | 2,152.25  |     |
| 26 |                                                          |            |           |     |
| 27 |                                                          |            |           |     |
| 28 | Balance of Cash and Cash Equivalents December 31, 2001   |            | 75,826.26 |     |
| 29 |                                                          |            |           |     |
| 30 |                                                          |            |           |     |
| 31 | Total Cash and Cash Equivalents December 31, 2002        |            | 77,978.51 |     |
| 32 |                                                          |            |           |     |
| 33 |                                                          |            |           |     |
| 34 |                                                          |            |           |     |
| 35 | Per Balance Sheet                                        |            |           |     |
| 36 | Cash                                                     | 14,201.51  |           |     |
| 37 | Cash Equivalents - Treasury Bills                        | 62,777.00  |           |     |
| 38 | Investments                                              |            |           |     |
| 39 |                                                          |            |           |     |
| 40 | Total                                                    |            | 77,978.51 |     |

HERMAN SENFT  
CERTIFIED PUBLIC ACCOUNTANT  
136-26 72ND AVENUE  
FLUSHING, N. Y. 11367

261-0678

February 7, 2003

Raphael Aryeh and Associates  
141-51 72<sup>nd</sup> Crescent  
Flushing, New York 11367

Gentlemen:

I have examined the Balance Sheet of Raphael Aryeh and Associates as of December 31, 2002 and the Statement of Income, Profit and Loss, and of Changes in Cash Flow, for the year then ended, as well as the Changes in Partners' Capital contained therein. My examination was made in accordance with generally accepted auditing standards.

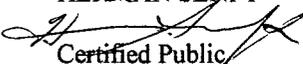
In my opinion the statements present fairly the financial condition of Raphael Aryeh and Associates as of December 31, 2002 and the result of its operations for the twelve - month period then ended.

In addition, I want to assure that there are no material differences between the computation of the Net Capital of Raphael Aryeh and Associates as reported in the company reports and the amounts stated by me on the FOCUS REPORT PART I I A as of December 31, 2002 and no material inadequacies were found in the reports.

Schedule f, h, i, j, m, and n, - as enumerated on page two of the facing page - were not found applicable and, therefore, not included in this report.

Very truly yours,

HERMAN SENFT

  
Certified Public  
Accountant  
New York