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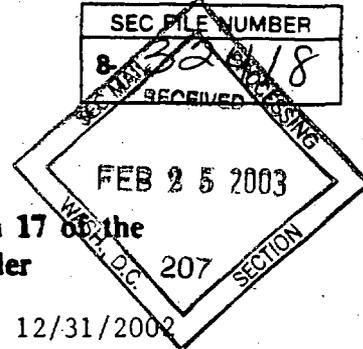
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

VF 2-28-03

OMB APPROVAL
OMB Number: 3235-0123
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hours per response . . . 12.00

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

SEC FILE NUMBER
8-32-18
RECEIVED



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 01/01/2002 AND ENDING 12/31/2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

TRANS AMERICAN EQUITIES CORPORATION

OFFICIAL USE ONLY
FIRM ID. NO.

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

4141 North Henderson Road, Suite #8

(No. and Street)

Arlington, Virginia 22203

(City)

(State)

(Zip Code)

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

Mr. Arthur L. Walters

(703) 527-5200

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ROBINSON, JACK H.

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

P. O. Box 9426

McLean,

Virginia

22102

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 11 2003

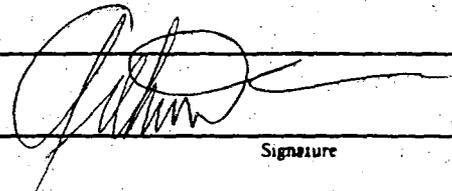
FOR OFFICIAL USE ONLY
THOMSON
FINANCIAL

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

26
3-07-03

OATH OR AFFIRMATION

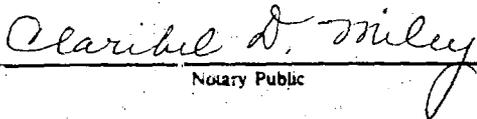
I, Arthur L. Walters, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm Trans American Equities Corporation, as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company 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:



Signature

President

Title



Notary Public

My Commission Expires 3-31-06

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).

TRANS AMERICAN EQUITIES CORPORATION

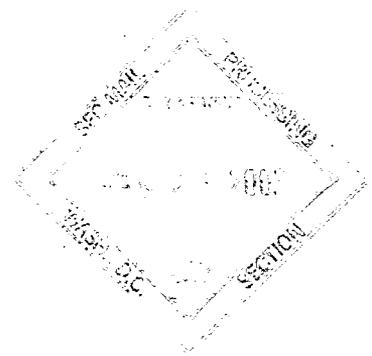
FINANCIAL STATEMENTS

&

SUPPLEMENTAL DATA

as of

December 31, 2002



JACK H. ROBINSON
Certified Public Accountant
McLean, Virginia

JACK H. ROBINSON

Certified Public Accountant

P.O. Box 9426
McLean, Virginia 22102
Telephone 821-1446
Area Code 703

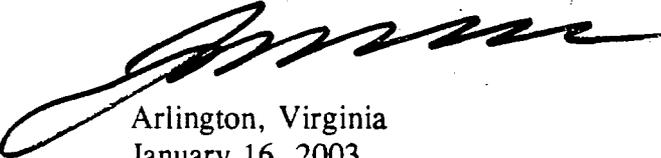
INDEPENDENT AUDITOR'S REPORT

To the Stockholders and
Board of Directors of
Trans American Equities Corporation:

We have audited the balance sheet of Trans American Equities Corporation as of December 31, 2002 and the related statements of income and retained earnings, cash flows and changes in shareholders' equity. These financial statements are the responsibility of the Trans American Equities Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trans American Equities Corporation at December 31, 2002 and the results of their operations and their cash flows for the year ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Arlington, Virginia
January 16, 2003

TRANS AMERICAN EQUITIES CORPORATION
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Current Assets:

Cash	\$	106,147
Investments- Equity Securities (Note A-2)	3,300	
Add: Unrealized Gain	0	3,300
Accounts Receivable		10,200
Total Current Assets	\$	119,647

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Current Liabilities:

Accounts Payable	\$	9,600
Income Taxes		0
Total Current Liabilities	\$	9,600

SHAREHOLDERS' EQUITY

Common Shares, Par Value \$.01 a share, 10,000 Shares Authorized 8,000 Issued & Outstanding	\$	80
Capital in Excess of Par Value		104,920
Net Unrealized Securities Gain		0
Retained Earnings- Exhibit B		5,047
Total Shareholders' Equity		110,047
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	119,647

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2002

Income :	
Investment Advisory Fees	\$ 39,600
Gain on Sale of Securities	5,557
Interest	1,124

Total	\$ 46,281

Expenses:	
Administrative Services	11,216
Consulting Fees	31,100
Registration Fees & Expenses	1,705

Total	\$ 44,021

Income (Loss) Before Provision for Income Taxes:	2,260
Provision (Benefit Provided) for Income Taxes	72

Net Income	\$ 2,188
Retained Earnings - December 31, 2001	2,859

Retained Earnings - December 31, 2002	\$ 5,047
	=====
Earnings (Loss) per share	
Primary	\$ 0.27
Fully Diluted	\$ 0.27

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (Loss)	\$	2,188
Adjustments to reconcile income to net cash provided:		
Accounts Receivable		(10,200)
Accounts Payable-increase		2,676

Net Cash Provided (Used) by Operating Activities:	\$	(5,336)
		=====

CASH FLOWS FROM INVESTING ACTIVITIES :

Sale of Common Stock Held		13,043

Net Cash Provided (Used) by Investing Activities:	\$	13,043
		=====

CASH FLOWS FROM FINANCING ACTIVITIES :

Net Cash Provided (Used) by Financing Activities:	\$	0

		=====

Net Increase (Decrease) in Cash	\$	7,707
UNRESTRICTED CASH- Beginning of Period		98,440

UNRESTRICTED CASH- End of Period	\$	106,147
		=====

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2002

	<u>Common Stock</u>		ADD'L	UNREALIZED	RETAINED
	Shares	Amount	PAID-IN CAPITAL	SECURITIES GAIN	EARNINGS
Balance January 1, 2002	8,000	\$80	\$104,920	\$101,077	\$2,859
Realized Gain in Value of Equity Securities Sold				\$5,557	
Unrealized Loss in Value of Equity Securities Held				(\$106,634)	
Net Income (Loss) (Exhibit B)					\$2,188
	-----	-----	-----	-----	-----
Balance December 31, 2002	8,000	\$80	\$104,920	\$0	\$5,047
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION

-Notes to Financial Statements-

December 31, 2002

NOTE A: Significant Accounting Policies

1. Principal of Statement Presentation:

Trans American Equities Corporation, a Virginia corporation, was incorporated in 1983 but did not commence operations until 1984. On October 25, 1984, the Corporation was registered as a Securities Broker/Dealer pursuant to Section 15(b) of the Securities Exchange Act. The Corporation's operational activities have been limited to investment advisory services.

2. Investment Securities:

Investment securities are carried at cost adjusted for amortization of premiums and discounts, both computed by the straight-line method. The Corporation is required to disclose fair value information for balance sheet financial instruments. The fair value of the Equity Securities are based upon market quotations at December 31, 2002. The fair values of the financial instruments may not be indicative of their future fair values.

Equity Securities

Carrying Value	\$ 3,300
Fair Value	3,300

3. Income Taxes:

Prepaid and deferred income taxes are provided for timing differences between income and expenses for financial reporting purposes and for income tax purposes.

NOTE B: Common Stock

On July 23, 1986, the Corporation declared a reverse split of its common stock reducing the authorized 100,000 shares with a par value of \$.01 to 10,000 shares with a par value of \$.01. All common shares at the time of the reverse split were issued and outstanding and were exchanged at rate of 10 shares of old stock for one share of new. On October 8, 1986, the common shareholders, on a pro rata basis, paid-in an additional \$15,000. On December 1, 1989, the common shareholders, on a pro rata basis, again paid-in an additional \$15,000.

On January 1, 1996, the Corporation declared a reverse stock split. 10,000 shares of common stock were exchanged at a rate of two shares of old stock for one share of new. Par value remained at \$.01 per share. On February 20, 1996, the Corporation sold 2,850 shares of previously unissued stock for \$20,000. On March 5, 1998, 150 shares of previously unissued stock were sold for \$50,000.

TRANS AMERICAN EQUITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

NOTE C

COMPUTATION OF NET CAPITAL

Total ownership equity (Exhibit A)		\$	110,047
Deductions:			
Non - Allowable Assets (Accounts receivable)			10,200

Net capital before haircuts on security positions		\$	99,847
Haircuts on security positions			
Exempt securities			
Other securities	3,300		
Undue concentration			3,300

Net Capital		\$	96,547
			=====

NOTE D

COMPUTATION OF BASIC NET
CAPITAL REQUIREMENT

Minimum net capital required		\$	640
Minimum dollar net capital requirement		\$	5,000
Net capital requirement		\$	5,000
Excess net capital			
Net Capital	96,547		
Net capital requirement	(5,000)	\$	91,547

Excess net capital at 1000%			
Net Capital	96,547		
10% of indebtedness	(960)	\$	95,587

			=====

COMPUTATION OF
AGGREGATE INDEBTEDNESS

Total liabilities- Exhibit A		\$	9,600
			=====
Total aggregate indebtedness		\$	9,600
			=====
Percentage of aggregate indebtedness to net capital			
Aggregate indebtedness	9,600		
Net Capital	96,547		9.94%
			=====

JACK H. ROBINSON

Certified Public Accountant

P.O. Box 9426
McLean, Virginia 22102
Telephone 821-1446
Area Code 703

SUPPLEMENTAL REPORT

Material Inadequacies

Computation of Net Capital and Reserve Requirements

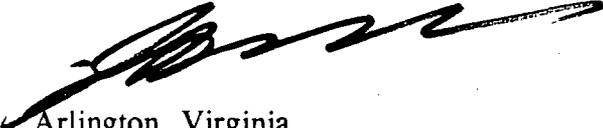
To the Stockholders and
Board of Directors of
Trans American Equities Corporation:

We have examined the financial statements of Trans American Equities Corporation for the year ended December 31, 2002, and have issued our report dated January 16, 2003. As a part of our examination, we reviewed and tested the Corporation's system of internal accounting and operational procedures with respect to material inadequacies, the prior unaudited internal computation of Net Capital and Reserve Requirements and the computation of changes in stockholders' equity. Our review also took into consideration the audit requirements pursuant to Securities and Exchange Rule 17a-5(d)(1).

We found no material inadequacies as to the Corporation's system of internal accounting controls or its operational procedures.

A reconciliation between the audited computation of Net Worth and 15c3-3 Reserve Requirements and the Corporation's unaudited Part II reflected no differences.

This report is solely intended for use in meeting compliance requirements as set forth in the Securities and Exchange Commission Rule 17a-5(d)(1) and is to be considered an integral part of our report dated January 16, 2003.


Arlington, Virginia
January 16, 2003