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FINANCIAL

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

SEC FILE NUMBER  
8- 53492

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 1-1-02 AND ENDING 12-31-02  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BRIGGS - FICKS SECURITIES, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

250 EAST WISCONSIN AVENUE, SUITE 860

(No. and Street)

MILWAUKEE

WI

53202

(City)

(State)

(Zip Code)

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

MARY E. BRIGGS

414-273-2112

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

WIPFLI ULLRICH BERTELSON, LLP

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

1200 NORTH MAYFAIR ROAD, SUITE 450

MILWAUKEE

WI

53226

(Address)

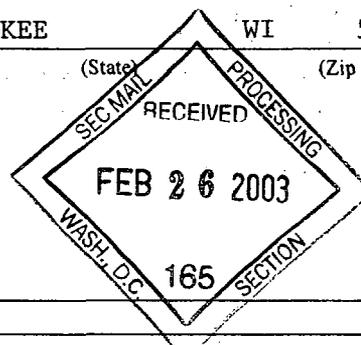
(City)

(State)

(Zip Code)

CHECK ONE:

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



FOR OFFICIAL USE ONLY

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

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, MARY E. BRIGGS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BRIGGS - FICKS SECURITIES, LLC, as of DECEMBER 31, 20 02, 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:

Mary E. Briggs
Signature
MANAGING DIRECTOR

Title

Suz Pickering
Notary Public

Milwaukee Cty.
Expires: 12/10/06

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 Proprietors' 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 15c3-3 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).

**BRIGGS - FICKS SECURITIES,  
LLC**

Milwaukee, Wisconsin

**FINANCIAL STATEMENTS AND  
ADDITIONAL INFORMATION**

Year Ended December 31, 2002, and Period from  
Date of Inception (June 15, 2001) to  
December 31, 2001

# BRIGGS - FICKS SECURITIES, LLC

## FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Year Ended December 31, 2002, and Period from Date of Inception (June 15, 2001) to December 31, 2001

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# WIPFLI

## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Members  
Briggs - Ficks Securities, LLC  
Milwaukee, Wisconsin

We have audited the accompanying statements of financial condition of Briggs - Ficks Securities, LLC, as of December 31, 2002 and 2001, and the related statements of operations, change in members' equity, and cash flows for the year ended December 31, 2002, and the period from date of inception (June 15, 2001) to December 31, 2001 that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 Briggs - Ficks Securities, LLC, as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the year ended December 31, 2002, and the period from date of inception (June 15, 2001) to December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information appearing on pages 10 through 12 is presented for purposes of additional analysis; it is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. The accompanying schedules are prepared in accordance with the requirements and general format of FOCUS Form X-17A-5. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*WIPFLI ULLRICH BERTELSON LLP*  
Wipfli Ullrich Bertelson LLP

January 21, 2003  
Milwaukee, Wisconsin

# BRIGGS - FICKS SECURITIES, LLC

## STATEMENTS OF FINANCIAL CONDITION

December 31, 2002 and 2001

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| <i>Assets</i>                          |                  |                  |
|--|------------------|------------------|
| Cash and cash equivalents              | \$51,917         | \$44,071         |
| Trading securities                     | 96,104           | 111,056          |
| Receivables from clearing organization | 135,877          | 21,806           |
| Prepaid expenses                       | 3,710            | 6,566            |
| Office furniture and equipment         | 18,763           | 20,709           |
| <b>TOTAL ASSETS</b>                    | <b>\$306,371</b> | <b>\$204,208</b> |

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| <i>Liabilities and Members' Equity</i>       |                  |                  |
|--|------------------|------------------|
| Liabilities - Accrued expenses               | \$95,392         | \$21,328         |
| Commitments                                  |                  |                  |
| Members' equity                              | 210,979          | 182,880          |
| <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | <b>\$306,371</b> | <b>\$204,208</b> |

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# BRIGGS - FICKS SECURITIES, LLC

## STATEMENTS OF OPERATIONS

Year Ended December 31, 2002, and Period from Date of Inception (June 15, 2001) to December 31, 2001

|   | 2002      | 2001       |
|---|-----------|------------|
| Revenues:                                     |           |            |
| Commissions                                   | \$482,457 | \$19,002   |
| Money market rebates                          | 44,136    | 2,438      |
| Trading gains and losses, net                 | (14,952)  | 13,443     |
| Interest and dividend income                  | 9,495     | 0          |
| Other revenue                                 | 4,668     | 1,235      |
| Total revenues                                | 525,804   | 36,118     |
| Expenses:                                     |           |            |
| Salary and benefits                           | 271,031   | 0          |
| Occupancy                                     | 52,945    | 10,861     |
| Floor brokerage, exchange, and clearance fees | 112,669   | 6,374      |
| Insurance                                     | 2,825     | 8,900      |
| Regulatory fees and expenses                  | 3,720     | 8,423      |
| Legal and professional fees                   | 34,727    | 15,369     |
| Other expenses                                | 19,788    | 12,434     |
| Total expenses                                | 497,705   | 62,361     |
| Net income (loss)                             | \$28,099  | (\$26,243) |

# BRIGGS - FICKS SECURITIES, LLC

## STATEMENTS OF MEMBERS' EQUITY

Year Ended December 31, 2002, and Period from Date of Inception (June 15, 2001) to December 31, 2001

|                            | Members'<br>Contributions | Retained<br>Earnings<br>(Deficit) | Total<br>Members'<br>Equity |
|----------------------------|---------------------------|-----------------------------------|-----------------------------|
| Balance, June 15, 2001     | \$0                       | \$0                               | \$0                         |
| Members' contributions     | 209,123                   | 0                                 | 209,123                     |
| Net loss                   | 0                         | (26,243)                          | (26,243)                    |
| Balance, December 31, 2001 | 209,123                   | (26,243)                          | 182,880                     |
| Net income                 |                           | 28,099                            | 28,099                      |
| Balance, December 31, 2002 | \$209,123                 | \$1,856                           | \$210,979                   |

# BRIGGS - FICKS SECURITIES, LLC

## STATEMENTS OF CASH FLOWS

Year Ended December 31, 2002, and Period from Date of Inception (June 15, 2001) to December 31, 2001

|   | 2002      | 2001       |
|---|-----------|------------|
| Increase in cash and cash equivalents:                                      |           |            |
| Net income (loss)   | \$28,099  | (\$26,243) |
| Adjustments to reconcile net loss to net cash used in operating activities: |           |            |
| Depreciation  | 6,416     | 2,928      |
| (Gain) loss on trading equities   | 14,952    | (13,443)   |
| Changes in operating assets and liabilities:                                |           |            |
| Increase in receivables from clearing organization                          | (114,071) | (21,806)   |
| (Increase) decrease in prepaid expenses                                     | 2,856     | (6,566)    |
| Increase in accrued expenses  | 74,064    | 21,328     |
| Total adjustments   | (15,783)  | (17,559)   |
| Net cash provided by (used in) operating activities                         | 12,316    | (43,802)   |
| Cash flows used in investing activities:                                    |           |            |
| Purchase office furniture and equipment                                     | (4,470)   | (23,637)   |
| Cash flows from financing activities:                                       |           |            |
| Capital contributed   | 0         | 111,510    |
| Net increase in cash and cash equivalents                                   | 7,846     | 44,071     |
| Cash and cash equivalents at beginning of period                            | 44,071    | 0          |
| Cash and cash equivalents at end of period                                  | 51,917    | \$44,071   |
| <b>Supplemental disclosure of noncash information:</b>                      |           |            |
| Contribution of trading securities by a member                              | \$0       | \$97,613   |

# BRIGGS - FICKS SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States.

#### **Principal Business Activity**

Briggs - Ficks Securities, LLC (the "Company") provides broker/dealer services, specializing in institutional security trading. The Company is a member of the National Association of Dealers (NASD) and is registered with the Securities and Exchange Commission (SEC) under Rule 15c3-3(k)(2)(ii), which provides that funds and securities belonging to the Company's customers will be handled by a correspondent broker-dealer. The Company's customers are located primarily in the Milwaukee, Wisconsin, metropolitan market.

#### **Operations**

The Company was incorporated on June 15, 2001. From inception to December 31, 2001, the Company's operations were primarily devoted to meeting regulatory filing requirements and setting up the structure of the organization. The Company's trading activities began in November 2001.

#### **Use of Estimates in Preparation of Financial Statements**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

#### **Revenue Recognition**

The Company acts as an introducing broker and clears all transactions on a fully disclosed basis with a clearing broker or dealer. Therefore, the Company does not have to comply with the reserve requirement pursuant to SEC Rule 15c3-3.

# BRIGGS - FICKS SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Trading Securities and Commissions**

All investments are classified as trading securities. Realized and unrealized gains and losses on trading securities are included in other income.

Security transactions, commission income, and related clearing expenses are recorded on a settlement date basis, generally the third business day following the trade date of the security transaction. The majority of revenues are attributable to the daily trading of securities by customers.

#### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, money market accounts, and deposits with banks and clearing organizations. As part of the Company's agreement with their clearing organization, they are required to maintain at least \$100,000 on deposit consisting of cash and trading securities with the clearing organization.

#### **Advertising Costs**

Advertising costs are expensed as incurred.

#### **Depreciation**

Depreciation and amortization are computed on the straight-line method for financial reporting purposes based on the 3- to 10-year estimated useful lives for office furniture and equipment.

#### **Income Taxes**

Under provision of the Internal Revenue Code, the Company has elected to be treated as a partnership for income tax purposes. Accordingly, the Company is generally not subjected to federal or state income taxes at the corporate level. All tax attributes of the Company will be passed through to its members and income taxes payable by the individual members.

# BRIGGS - FICKS SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 LEASE COMMITMENTS

The Company has an operating lease for its current office space. Rent expense for period ended December 31, 2001, was \$10,861. The lease expires September 30, 2006. Minimum future lease payments for the year ending December 31 are as follows:

|      |          |
|------|----------|
| 2003 | \$37,720 |
| 2004 | \$38,216 |
| 2005 | \$38,712 |
| 2006 | \$29,314 |

The lease provides for annual adjustments to rent for changes in real estate taxes and operating expenses. The minimum future payments above are computed using the current charges for real estate taxes and operating expenses.

The Company has two consecutive options to renew the lease for an additional three-year term under substantially the same terms and conditions.

### NOTE 3 TRADING SECURITIES

Trading securities consist of 3,510 shares of Marshall & Ilsley Corp. stock. This investment has been pledged to BNY Clearing Services, LLC, as a clearing deposit.

### NOTE 4 OFFICE FURNITURE AND EQUIPMENT

Office furniture and equipment at December 31 consist of:

|                                      | 2002     | 2001     |
|--------------------------------------|----------|----------|
| Office furniture                     | \$12,458 | \$10,616 |
| Office equipment                     | 15,649   | 13,021   |
| Total                                | 28,107   | 23,637   |
| Less accumulated depreciation        | 9,344    | 2,928    |
| Total office furniture and equipment | \$18,763 | \$20,709 |

# BRIGGS - FICKS SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 4**      **OFFICE FURNITURE AND EQUIPMENT** (Continued)

Depreciation for the year ended December 31, 2002, and the period from date of inception (June 15, 2001) to December 31, 2001, was \$6,416 and \$2,928, respectively.

### **NOTE 5**      **NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Under the terms of the Company's registration with the SEC, the minimum net capital requirement must exceed \$5,000. In addition, a ratio of aggregated indebtedness to net capital of no greater than 8 to 1 for the company's first twelve months of operations must be maintained. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2002, the Company had net capital of approximately \$132,000 and the ratio of aggregate indebtedness to net capital was .72 to 1.

### **NOTE 6**      **POSSESSION OR CONTROL REQUIREMENTS**

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c3-3 (k)(2)(ii) by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

### **NOTE 7**      **CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Company maintains cash balances in a bank insured by the Federal Deposit Insurance Corporation up to \$100,000. At various times during the year, its balance may exceed the insured limit.

### **NOTE 8**      **CONCENTRATION WITH MAJOR CUSTOMER**

The majority of revenue from trading commissions is concentrated in a group of accounts closely related to a single family of trust accounts.

# BRIGGS - FICKS SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9            **COMMITMENTS AND CONTINGENCIES**

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company has indemnified the clearing broker-dealer to the extent of a net loss on the unsettled trade. At December 31, 2002, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

### NOTE 10            **LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

The Company had no subordinated liabilities during the year ended December 31, 2002, or the period from inception (June 15, 2001) to December 31, 2001. Therefore, the statement of changes in liabilities subordinated to claims of general creditors has not been presented.

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**ADDITIONAL INFORMATION**

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# BRIGGS - FICKS SECURITIES, LLC

## COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2002 and 2001

|   | 2002      | 2001      |
|---|-----------|-----------|
| Net capital:  |           |           |
| Total members' equity                               | \$210,979 | \$182,880 |
| Deductions and/or charges:                          |           |           |
| Nonallowable assets:                                |           |           |
| Office furniture and equipment                      | (18,763)  | (20,709)  |
| Prepaid expenses                                    | (3,710)   | (6,566)   |
| Other deductions                                    | (5,000)   | (30,000)  |
| Net capital before haircuts on securities positions | 183,506   | 125,605   |
| Haircuts:   |           |           |
| Securities  | (14,416)  | (16,734)  |
| Undue concentration                                 | (12,362)  | (14,235)  |
| Other   | (121)     | 0         |
| Net capital   | \$156,607 | \$94,636  |
| Aggregate indebtedness:                             |           |           |
| Items included in statement of financial condition: |           |           |
| Accrued expenses                                    | \$95,392  | \$21,328  |
| Total aggregate indebtedness                        | \$95,392  | \$21,328  |
| Computation of basic net capital requirement:       |           |           |
| Minimum net capital required, <i>greater of</i> :   |           |           |
| 6.67% of aggregate indebtedness                     | \$6,363   | \$1,423   |
| Minimum dollar requirement                          | 5,000     | 5,000     |
| Net capital requirement                             | \$6,363   | \$5,000   |

# BRIGGS - FICKS SECURITIES, LLC

## COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION (CONTINUED)

December 31, 2002 and 2001

|   | 2002      | 2001     |
|---|-----------|----------|
| Excess net capital at required minimum dollar amount  | \$150,245 | \$89,636 |
| Excess net capital at 6.67% of aggregate indebtedness | \$150,245 | \$93,213 |
| Ratio: Aggregate indebtedness to net capital          | .61 to 1  | .22 to 1 |

There were no material differences between the amounts reported above and the amounts reported in the Company's unaudited FOCUS reports.

# BRIGGS - FICKS SECURITIES, LLC

## COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2002 and 2001

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### EXEMPTIVE PROVISIONS

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(ii) in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Company's clearing firm: BNY Clearing Services, LLC.