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

SEC FILE NUMBER
811684

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:  
A.G. Quintal Investment Company, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
2177 Acushnet Avenue

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
New Bedford, MA 02745  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Mark A. Quintal (508) 995-2611  
(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

Kane and Kane, Inc. CPA's  
(Name - if individual, state last, first, middle name)  
260 North Main Street Fall River, MA 02720  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

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

SEC 1410 (06-02)

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BB 3/17

OATH OR AFFIRMATION

I, Mark A. Quintal, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of A.G. Quintal Investment Company, Inc., 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:

Mark A. Quintal  
Signature

President

Title

Gaetano Mahon  
Notary Public *My commission expires January 5, 2007*

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~~ CASH FLOWS
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- n/a  (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- n/a  (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.
- n/a  (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- n/a  (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.

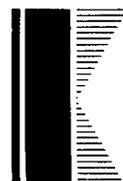
\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

A. G. QUINTAL INVESTMENT COMPANY, INC.

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2002

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**KANE AND KANE, Inc.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**AND BUSINESS CONSULTANTS**

Joel S. Kane, CPA PC  
Peter D. Kane, CPA PC  
Joseph A. Cordeiro, CPA  
Alfredo M. Franco, CPA  
M. Helena Amaral, CPA  
Brian F. Chisholm, CPA  
Charles H. Kane (1937-1963)  
Mary Ellen Lewis, CPA  
Douglas M. Taber, CPA  
Anne Marie Rogers, CPA

Board of Directors and Stockholders  
A. G. Quintal Investment Company, Inc.  
New Bedford, Massachusetts

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheet of A. G. Quintal Investment Company, Inc. as of December 31, 2002 and the related statement of income and retained earnings and cash flows, for the year then ended. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 A. G. Quintal Investment Company, Inc. at December 31, 2002, and the results of its operations and its cash flows, for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements primarily taken as a whole. The supplementary information on pages 10 through 20 relating to the Computation of Net Capital and the Computation of Basic Net Capital Requirement under Rule 15c3-3 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination 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.

KANE AND KANE, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

*Kane and Kane, Inc.*

February 14, 2003

A. G. QUINTAL INVESTMENT COMPANY, INC.  
BALANCE SHEET  
DECEMBER 31, 2002

EXHIBIT A

ASSETS

Current Assets

Cash and Cash Equivalents	\$	23,147
Marketable Securities (Note 1)		124,566
Commissions Receivable		41
Prepaid Income Taxes		<u>4,475</u>

Total Current Assets \$ 152,229

Fixed Assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Office and Computer Equipment	\$ <u>57,247</u>	\$ <u>57,247</u>

Fixed Assets-net -0-

Other Assets

Cash-Restricted	\$	<u>25,000</u>
-----------------	----	---------------

Total Other Assets 25,000

TOTAL ASSETS \$ 177,229

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts Payable	\$	699
Employee Payroll Deductions Payable		564
Accrued Pension Payable		<u>104</u>

Total Liabilities-All Current \$ 1,367

Stockholders' Equity

Common Stock, no par value, 15,000 shares authorized, 1,200 shares issued and outstanding	\$	90,696
Retained Earnings		<u>85,166</u>

Total Stockholders' Equity 175,862

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 177,229

A. G. QUINTAL INVESTMENT COMPANY, INC.  
STATEMENT OF INCOME (LOSS) AND RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT B

<u>Revenues</u>	\$ 370,421
Operating and General Expenses (Schedule B-1)	<u>373,390</u>
<u>Net Loss on Operations</u>	\$ (2,969)
Other (Income) and Expenses (Schedule B-2)	<u>17,110</u>
<u>Net Loss before Income Taxes</u>	\$ (20,079)
Income Taxes (Benefit) (Note 4)	<u>(2,749)</u>
<u>NET LOSS</u>	\$ (17,330)
Retained Earnings, Beginning of Year	<u>102,496</u>
<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$ 85,166</u>

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

KANE AND KANE, Inc. CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

A. G. QUINTAL INVESTMENT COMPANY, INC.  
SUPPLEMENTARY SCHEDULES TO EXHIBIT B  
FOR THE YEAR ENDED DECEMBER 31, 2002

Schedule B-1

Operating and General Expenses

Officer Salary	\$ 210,000
Office Salaries	41,600
Rent Expense (Note 2)	22,000
Pension Expense (Note 5)	18,984
Insurance Expense	17,024
Payroll Taxes	12,112
Telephone Expense	8,298
Employee Benefits	7,460
Information Usage Fees	7,381
Office Supplies and Expense	6,333
Advertising	5,044
Legal and Accounting Fees	4,606
License and Fees	3,127
Depreciation Expense	2,926
Postage and Printing	2,461
Travel and Entertainment	1,843
Miscellaneous Expense	1,394
Dues and Subscriptions	749
Property Taxes	<u>48</u>
<u>Total Operating and General Expenses</u>	<u>\$ 373,390</u>

Schedule B-2

Other (Income) and Expenses

Trading Loss	\$ 20,495
Interest Expense	12
Dividend Income	(1,727)
Interest Income	<u>(1,670)</u>
<u>Total Other (Income) and Expenses</u>	<u>\$ 17,110</u>

A. G. QUINTAL INVESTMENT COMPANY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C

Cash Flows from Operational Activities

Cash Received for Services	\$ 372,362	
Interest Received	1,670	
Dividends Received	1,727	
Corporate Income Tax Refund	<u>1,632</u>	
		\$ 377,391

Less: Cash Paid for Operating Activities	\$ 371,236	
Interest Paid	<u>12</u>	
		<u>371,248</u>

Net Cash Provided by Operating Activities \$ 6,143

Cash Flows from Investing Activities

Purchase of Fixed Assets	\$ (2,925)	
Purchase of Securities	(312,272)	
Proceeds from Sale of Securities	<u>317,715</u>	
		<u>2,518</u>

Net Cash Provided by Investing Activities 2,518

Net Increase in Cash \$ 8,661

Cash at Beginning of Year 14,486

CASH AT END OF YEAR \$ 23,147

A. G. QUINTAL INVESTMENT COMPANY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C

Reconciliation of Net Income (Loss) to Net Cash  
Provided (Used) by Operating Activities

Net Loss \$ (17,330)

Adjustments to Reconcile Net Income (Loss) to Net Cash  
Provided (Used) by Operating Activities

Depreciation Expense	\$ 2,926	
Net Realized Losses	10,141	
Unrealized Losses	10,354	
Decrease in Commissions Receivable	1,941	
Increase in Prepaid Income Taxes	(1,117)	
Decrease in Accrued Pension Payable	(477)	
Increase in Accounts Payable and Accrued Expenses	274	
Increase in Employee Payroll Deductions Payable	563	
Decrease in Due to Employees	<u>(1,132)</u>	
<u>Total Adjustments</u>		<u>23,473</u>
 <u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		 <u>\$ 6,143</u>

A. G. QUINTAL INVESTMENT COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2002

Note 1

Summary of Significant Accounting Policies

Organization

The Company was incorporated in Massachusetts in January, 1989 as a securities broker/dealer servicing the general public.

Basis of Accounting

For financial statement purposes, the Company reports income and expenses on the accrual basis of accounting; that is, income is reflected as earned, not received, and expenses are reflected when incurred, not when paid.

Marketable Securities

As a securities broker/dealer, marketable securities are stated in the financial statements at market value. The resulting difference between cost and market value is included in the statement of income.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation computed by use of the straight-line and accelerated cost recovery methods over the estimated useful lives of the assets.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred.

Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Concentration of Credit Risk

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

Note 2

Related Party Transactions

The Company leases office space on a month-to-month basis from A.G.Q. Realty Trust, a related entity. Rent expense under this arrangement was \$22,000 for the year ended December 31, 2002.

A. G. QUINTAL INVESTMENT COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2002

Note 3  
Net Capital

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule which requires the maintenance of minimum required net capital pursuant to Rule 15c3-1 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

At December 31, 2002, the Company had net capital of \$158,685 which was \$58,685 in excess of its required net capital of \$100,000. The Company's net capital ratio was .009 to 1.

Note 4  
Income Taxes

Federal and state income tax expense (benefit) consists of the following for the year ended December 31, 2002:

Current	
Federal	\$ (3,204)
State	<u>455</u>
<u>Income Tax Benefit</u>	<u>\$ (2,749)</u>

Note 5  
Pension Plan

The Company maintains a profit sharing plan covering all employees who have completed two years of service, have worked a minimum of 1,000 hours per year, and are at least 21 years old. The plan provides for employer contributions based on a percentage of eligible participants' compensation, as determined annually by the Board of Directors. The financial statements reflect an employer contribution of \$18,984 for the year ended December 31, 2002.



TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

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

Kane and Kane, Inc. CPA's 70

ADDRESS	Number and Street	City	State	Zip Code
260 North Main St., Fall River,			MA	02720
	71	72	73	74

Check One

- ( X ) Certified Public Accountant 75
- ( ) Public Accountant 76
- ( ) Accountant not resident in United States or any of its possessions 77

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

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

BROKER OR DEALER **A.G. Quintal Investment Company, Inc.**

**N3**

100

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

as of (MM/DD/YY) 12/31/02 99  
SEC. FILE NO. 8-11684 98  
Consolidated  198  
Unconsolidated  199

**ASSETS**

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash .....	\$ 23,041		\$ 23,041
2. Receivables from brokers or dealers:			
A. Clearance account .....	41		
B. Other .....	25,000		25,041
3. Receivables from non-customers .....		600	830
4. Securities and spot commodities owned, at market value:			
A. Exempted securities .....			418
B. Debt securities .....			419
C. Options .....			420
D. Other securities .....	118,466		118,466
E. Spot commodities .....			430
5. Securities and/or other investments not readily marketable:			
A. At cost \$ .....			130
B. At estimated fair value .....	440	6,100	6,100
6. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ .....	460		880
B. Other securities \$ .....		630	
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	680	920
11. Other assets .....	4,475	106	4,581
12. <b>TOTAL ASSETS</b> .....	\$ 171,023	\$ 6,206	\$ 177,229

OMIT PENNIES

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

**BROKER OR DEALER**

A.G. Quintal Investment Company, Inc.

as of 12/31/02

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

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. 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, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	1,367 1205	1385	1,367 1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$ 970		1400	1710
2. Includes equity subordination (15c3-1 (d)) of .... \$ 980			
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements: .....		1420	1730
1. from outsider: \$ 1000			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 1010			
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. <b>TOTAL LIABILITIES</b> .....	\$ 1,367 1230	\$ 1450	\$ 1,367 1760

**Ownership Equity**

21. Sole proprietorship .....		\$ 1770
22. Partnership (limited partners .....	\$ 1020	\$ 1780
23. Corporation:		
A. Preferred stock .....		1791
B. Common stock .....		90,696 1792
C. Additional paid-in capital .....		1793
D. Retained earnings .....		85,166 1794
E. Total .....		175,862 1795
F. Less capital stock in treasury .....		1796
24. <b>TOTAL OWNERSHIP EQUITY</b> .....		\$ 175,862 1800
25. <b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b> .....		\$ 177,229 1810

OMIT PENNIES

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

**BROKER OR DEALER** A.G. Quintal Investment Company, Inc.

as of 12/31/02

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition .....	\$	175,862		3480
2. Deduct ownership equity not allowable for Net Capital .....				3490
3. Total ownership equity qualified for Net Capital .....		175,862		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 .....	\$	175,862		3530
6. Deductions and/or charges:				
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) .....	\$	6,206		3540
B. Secured demand note deficiency .....				3590
C. Commodity futures contracts and spot commodities-proprietary capital charges .....				3600
D. Other deductions and/or charges .....				3610
7. Other additions and/or allowable credits (List) .....			( 6,206 )	3620
8. Net capital before haircuts on securities positions .....	\$	169,656		3630
9. Haircuts on securities (computed, where applicable, 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 .....		9,203		3734
D. Undue Concentration .....				3650
E. Other (List) .....				3736
10. Net Capital .....	\$		( 9,203 )	3740
	\$	160,453		3750

OMIT PENNIES

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

BROKER OR DEALER A.G. Quintal Investment Company, Inc.

as of 12/31/02

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19) .....	\$	91	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) .....	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	100,000	3760
14. Excess net capital (line 10 less 13) .....	\$	60,453	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	160,316	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	1,367	3790
17. Add:			
A. Drafts for immediate credit .....	$\frac{1}{2}$ \$	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 .....	\$	1,367	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....	%	1.8	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) .....	%	0	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**      A.G. Quintal Investment Company, Inc.

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

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

<b>1. Commissions:</b>		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$ 178,800	3935
b. Commissions on listed option transactions		3938
c. All other securities commissions	19,315	3939
d. Total securities commissions		3940
<b>2. Gains or losses on firm securities trading accounts</b>		
a. From market making in options on a national securities exchange		3945
b. From all other trading	(20,495)	3949
c. Total gain (loss)	(20,495)	3950
<b>3. Gains or losses on firm securities investment accounts</b>		3952
<b>4. Profit (loss) from underwriting and selling groups</b>		3955
<b>5. Revenue from sale of investment company shares</b>	172,306	3970
<b>6. Commodities revenue</b>		3990
<b>7. Fees for account supervision, investment advisory and administrative services</b>		3975
<b>8. Other revenue</b>	3,397	3995
<b>9. Total revenue</b>	\$ 353,323	4030

**EXPENSES**

<b>10. Salaries and other employment costs for general partners and voting stockholder officers</b>	\$ 246,575	4120
<b>11. Other employee compensation and benefits</b>	17,137	4115
<b>12. Commissions paid to other broker-dealers</b>		4140
<b>13. Interest expense</b>		4075
a. Includes interest on accounts subject to subordination agreements	4070	
<b>14. Regulatory fees and expenses</b>	3,127	4195
<b>15. Other expenses</b>	107,018	4100
<b>16. Total expenses</b>	\$ 373,857	4200

**NET INCOME**

<b>17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)</b>	\$ (20,534)	4210
<b>18. Provision for Federal income taxes (for parent only)</b>	(3,204)	4220
<b>19. Equity in earnings (losses) of unconsolidated subsidiaries not included above</b>		4222
a. After Federal income taxes of	4238	
<b>20. Extraordinary gains (losses)</b>		4224
a. After Federal income taxes of	4239	
<b>21. Cumulative effect of changes in accounting principles</b>		4225
<b>22. Net income (loss) after Federal income taxes and extraordinary items</b>	\$ (17,330)	4230

**MONTHLY INCOME**

<b>23. Income (current month only) before provision for Federal income taxes and extraordinary items</b>	\$ N/A	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER** A.G. Quintal Investment Company, Inc.

For the period (MMDDYY) from 1/1/02 to 12/31/02

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

1. Balance, beginning of period.....	\$	193,192	424
A. Net income (loss).....		(17,330)	425
B. Additions (Includes non-conforming capital of.....	Y \$	4262	426
C. Deductions (Includes non-conforming capital of.....	\$	4272	427
2. Balance, end of period (From item 1800) .....	\$	175,862	429

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

3. Balance, beginning of period .....	Y \$	0	4306
A. Increases .....			4310
B. Decreases.....			4320
4. Balance, end of period (From item 3520).....	\$	0	4330

OMIT PENNIE

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

**BROKER OR DEALER** A.G. Quintal Investment Company, Inc.

as of 12/31/02

**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 .....   | X 4560 |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <u>▼ Pershing Securities</u> <span style="border: 1px solid black; padding: 0 5px;">4335</span> ..... | X 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 See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
Y	4600	4601	4602	4603	4604	4605
Y	4610	4611	4612	4613	4614	4615
Y	4620	4621	4622	4623	4624	4625
Y	4630	4631	4632	4633	4634	4635
Y	4640	4641	4642	4643	4644	4645
Y	4650	4651	4652	4653	4654	4655
Y	4660	4661	4662	4663	4664	4665
Y	4670	4671	4672	4673	4674	4675
Y	4680	4681	4682	4683	4684	4685
Y	4690	4691	4692	4693	4694	4695
<b>TOTAL \$</b> <u>N/A</u> <span style="border: 1px solid black; padding: 0 5px;">4699</span>						

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

**KANE AND KANE, Inc.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**AND BUSINESS CONSULTANTS**

Joel S. Kane, CPA PC  
Peter D. Kane, CPA PC  
Joseph A. Cordeiro, CPA  
Alfredo M. Franco, CPA  
M. Helena Amaral, CPA  
Brian F. Chisholm, CPA  
Charles H. Kane (1937-1963)  
Mary Ellen Lewis, CPA  
Douglas M. Taber, CPA  
Anne Marie Rogers, CPA

Board of Directors and Stockholders  
A.G. Quintal Investment Company, Inc.  
New Bedford, Massachusetts

In planning and performing our audit of the financial statements of A.G. Quintal Investment Company, Inc. for the year ended December 31, 2002, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by A.G. Quintal Investment Company, Inc. that we considered relevant to the objectives stated in rule 17a-5(g), (1) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e) (2) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 (3) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling the responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.



Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the Commission's objectives.

KANE AND KANE, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

*Kane and Kane, Inc.*

February 14, 2003