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

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

SEC FILE NUMBER  
8- 51783

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 01/01/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GMAC Investment Services, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

3800 West 80th Street, Suite 996

(No. and Street)

Bloomington

(City)

MN

(State)

55431

(Zip Code)

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

Michael Sanwald

215-682-1585

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

PRICEWATERHOUSE COOPERS LLP

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

160 Federal Street

(Address)

Boston

(City)

MA

02110

(Zip Code)

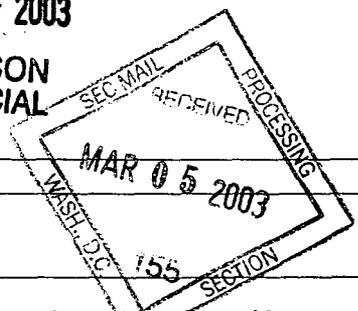
CHECK ONE:

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

PROCESSED

MAR 24 2003

THOMSON  
FINANCIAL



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

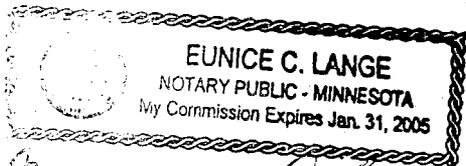
SEC 1410 (06-02)

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MAR 21 2003

OATH OR AFFIRMATION

Brian Lasko, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SMAC Investment Services, 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:



Eunice Lange  
Notary Public

[Signature]  
Signature  
President  
Title

This document contains (check all applicable boxes):

- (a) Cover 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.

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

**GMAC Investment Services, Inc.**

**Statement of Financial Condition  
December 31, 2002**



PricewaterhouseCoopers LLP  
160 Federal Street  
Boston MA 02110-9862  
Telephone (617) 428 8400  
Facsimile (617) 439 7393

**Report of Independent Accountants**

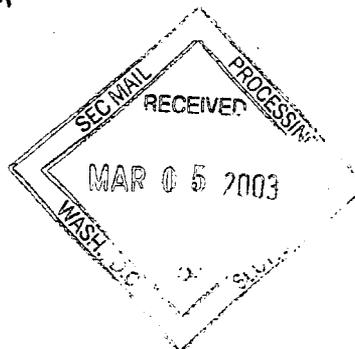
To the Board of Directors and Stockholder  
of GMAC Investment Services, Inc.:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of GMAC Investment Services, Inc. ("the Company") at December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

The Company is a wholly-owned subsidiary of GMAC Residential Holding Corp., which is a wholly-owned subsidiary of GMAC Mortgage Group, Inc. As disclosed in Note 8 to the statement of financial condition, the Company has extensive transactions with certain affiliated companies. The financial position of the Company is not indicative of that which would have been had the Company operated independently.

*PricewaterhouseCoopers LLP*

February 26, 2003



**GMAC Investment Services, Inc.**  
**Statement of Financial Condition**  
**December 31, 2002**  
(Dollars in thousands, except for par value amounts)

<b>Assets</b>	
Cash	\$ 923
Accounts receivable- affiliate	10
Deposits	5
Intercompany income taxes receivable	492
Property and equipment	<u>27</u>
Total Assets	<u>\$ 1,457</u>
<b>Liabilities and Stockholder's Equity</b>	
<b>LIABILITIES</b>	
Accrued expenses	\$ 69
Accounts payable- affiliate	<u>162</u>
Total liabilities	231
<b>STOCKHOLDER'S EQUITY</b>	
Common stock, \$.01 par value, 10,000 shares authorized, 1,000 shares issued and outstanding	-
Capital paid in excess of par value	3,500
Accumulated deficit	<u>(2,274)</u>
Total stockholder's equity	<u>1,226</u>
Total Liabilities and Stockholder's Equity	<u>\$ 1,457</u>

See notes to statement of financial condition.

**GMAC Investment Services, Inc.**  
**Notes to Statement of Financial Condition**  
**December 31, 2002**  
**(Dollars in thousands)**

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**1. Organization and description of business**

GMAC Investment Services, Inc. (the "Company") is an introducing broker-dealer based in Bloomington, Minnesota. During 2002, the Company terminated its mutual fund company selling agreement and now limits its activities to the management of certain alliance relationships of an affiliate. The Company is registered with the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. ("NASD").

The Company was capitalized on May 13, 1999 by a \$1,000 capital contribution from GMAC Residential Holding Corp. Subsequent capital contributions of \$1,500 and \$1,000 were made on December 22, 2000 and June 29, 2001, respectively.

The Company is a wholly-owned subsidiary of GMAC Residential Holding Corp., which is a wholly-owned subsidiary of GMAC Mortgage Group, Inc., which is a wholly-owned subsidiary of General Motors Acceptance Corporation, which is a wholly-owned subsidiary of General Motors Corporation ("GM").

**2. Significant accounting policies**

**Risks and uncertainties-** The preparation of the Company's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period.

**Cash-** Cash consists of cash in banks.

**Accounts receivable- affiliate-** Accounts receivable-affiliate consists of net amounts owed by an affiliate for management services provided by the Company.

**Deposits-** Deposits consist of amounts deposited with the NASD. These deposits will be drawn down from time to time by the NASD in satisfaction of license and other Company expenses owing to the NASD.

**Property and equipment-** Property and equipment are carried at cost and are depreciated on the straight-line basis over the estimated useful lives of the assets of between two to five years.

**Accounts payable- affiliates-** Accounts payable-affiliate consists of net amounts owed to affiliates for processing and payment of operating expenses.

**Income Taxes-** Income taxes for financial reporting purposes are recorded in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes. The asset and liability approach underlying SFAS No. 109 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of the Company's assets and liabilities. The Company's results of operations are included in the consolidated federal and several unitary and/or combined state income tax returns of GM. The Company provides for its taxes pursuant to a tax sharing arrangement with GM and periodically settles amounts which are currently payable or receivable.

**GMAC Investment Services, Inc.**  
**Notes to Statement of Financial Condition**  
**December 31, 2002**  
**(Dollars in thousands)**

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**Fair value of financial instruments-** SFAS No. 107, Disclosure about Fair Value of Financial Instruments, requires the Company to disclose fair value information about financial instruments for which it is practicable to estimate fair value, whether or not such financial instruments are recognized on the balance sheet. The estimated fair values of the Company's financial instruments approximate their carrying amounts.

**3. Customer transactions**

Customer securities transactions are processed directly through various fund companies on a fully disclosed basis. The fund companies reflect all customer securities transactions on their books and record transactions in accounts that are carried in the names of the customers. Accordingly, the Company does not hold funds for, or owe funds to, its customers. The Company is currently exempt from the requirements to maintain a "Special Reserve Account for the Exclusive Benefit of Customers." As discussed in Note 1, the Company limits its activities to the management of certain alliance relationships of an affiliate.

**4. Net capital requirements**

The company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, should not exceed 8:1 during the initial year of operations and 15:1 thereafter. At December 31, 2002, the company had net capital of \$702, which was \$687 in excess of its required capital of \$15.

The Company's ratio of aggregate indebtedness to net capital at December 31, 2002 was 0.33:1.

**5. Property and equipment**

Property and equipment as of December 31, 2002 consist of the following:

Furniture, fixtures and equipment	\$	106
Less: Accumulated depreciation		<u>(79)</u>
Total	\$	<u><u>27</u></u>

**GMAC Investment Services, Inc.**  
**Notes to Statement of Financial Condition**  
**December 31, 2002**  
**(Dollars in thousands)**

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**6. Income taxes**

The following summarizes the Company's income tax benefit for the year ended December 31, 2002:

Assets:		
Depreciation	\$	14
Accrued bonuses		<u>32</u>
Total deferred tax assets	\$	<u>46</u>
Total deferred tax liabilities	\$	<u>-</u>
Total net deferred (asset)/liability	\$	<u>(46)</u>

**7. Commitments and contingencies**

The Company is obligated under a non-cancelable operating lease for its office. The lease expires on January 31, 2003 and is to be renewed on a monthly basis.

As discussed in Note 3, the Company's customer securities transactions are introduced on a fully disclosed basis with various fund companies. The fund companies carry the accounts of the Company's customers and are responsible for execution and collection and payment of funds relative to these transactions. The Company seeks to minimize the risks associated with its introducing activities through policies and procedures designed to monitor the investment recommendations of its licensed representatives as well as the contractual terms and conditions of its agreements with fund companies.

**8. Related party transactions**

The Company is party to a services agreement with an affiliate, GMAC Mortgage Corporation, in which certain costs related to the company's activities were incurred by the affiliate and charged to the Company.

The Company provides management services to an affiliate in support of a certain initiative of the affiliate.

The financial position of the Company and its results of operations are not indicative of that which would have been had the Company operated independently.