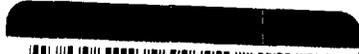


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3/17/2003



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

VF3-14-03

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response..... 12.00

SECURITIES AND EXCHANGE  
RECEIVED

MAR 05 2003

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

SEC FILE NUMBER  
8-6406

DIVISION OF MARKET REGULATION

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: Investment Planning Corporation

OFFICIAL USE ONLY

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

FIRM I.D. NO.

2701 Cottage Way, Suite 5

(No. and Street)

Sacramento, CA 95825

(City)

(State)

(Zip Code)

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

William B. Rudd

(916) 484-7244

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Blackstock, Carley J.

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

1435 New England Drive

Roseville, CA 95661

(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 21 2003

THOMSON  
FINANCIAL

**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)

AM

23  
3/21

OATH OR AFFIRMATION

I, William B. Rudd, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Planning Corporation Investment Planning Corporation, 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:

Handwritten signature of William B. Rudd

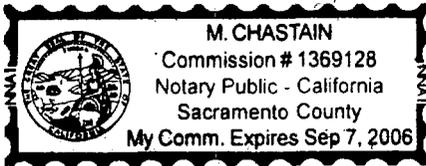
Signature

President

Title

Handwritten signature of M. Chastain

Notary Public



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).

**Carley Blackstock, Certified Public Accountant**

1435 New England Drive  
Roseville, CA 95661  
Phone: (916) 782-7008  
Email: cblackstockcpa@yahoo.com

## Independent Auditors' Report

The Board of Directors  
Investment Planning Corporation  
2701 Cottage Way, Suite 5  
Sacramento, CA 95824

I have audited the accompanying balance sheet of Investment Planning Corporation as of December 31, 2002, and the related statements of income and retained earnings, stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

My examinations were made in accordance with auditing standards generally accepted in the United States of America and the applicable requirements of the Securities and Exchange Commission, and accordingly, include such tests of the accounting records and other auditing procedures as I considered necessary in the circumstances. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audits provide a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Investment Planning Corporation as of December 31, 2002, and the results of its operations and changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Carley Blackstock*

Roseville, California  
February 24, 2003

Investment Planning Corporation  
BALANCE SHEET  
as of December 31, 2002

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	359,246
Investments	15,900
Commissions Receivables	902
Prepays	<u>3,230</u>
Total current assets	379,278

EQUIPMENT (NET)

	12,464
Total assets	<u>\$ 391,742</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accrued Payroll Taxes	<u>807</u>
Total current liabilities	807

STOCKHOLDERS' EQUITY

Common stock, \$10 Par Value, Authorized 1,500 Shares, Outstanding 513 Shares	5,130
Capital in Excesss of Par	727
Retained earnings	<u>385,078</u>
Total stockholders' equity	<u>390,935</u>

Total liabilities and stockholders' equity	<u>\$ 391,742</u>
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The accompanying notes are an integral part of this statement.

Investment Planning Corporation  
NOTES TO FINANCIAL STATEMENT  
December 31, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Customer Funds

Investment Planning Corporation limits its activities to the sale of shares of regulated investment companies, term life insurance and annuities. The corporation handles no customer funds.

Transactions with related parties

Commissions earned and paid during the year result from efforts of the sole shareholder.

Depreciation Method

The company has adopted the method required by the Internal Revenue Service for both book and tax reporting. The amount expensed in fiscal year 2002 was \$1775.

NOTE 2: INCOME TAXES

Historically there have been only insignificant variances between book income and taxable income so there is no deferred tax calculation and the estimated actual liability is used as follows:

Federal Income Tax due	\$ 6,957
State Income Tax due	4,185
Total	<u>11,142</u>
Less: Estimates paid	<u>(13,484)</u>
Total Prepaid	\$ 2,342

NOTE 3: CONTINGENT LIABILITIES

The Corporation is contingently liable for rent due on leased office space. The lease commenced on April 1, 2001 and ends on March 31, 2003. However the lease was renewed subsequent to year-end for an additional two-year term ending on March 31, 2005. The following is the future minimum rental payments required:

<u>Period ended</u>	<u>Amount due</u>
12/31/03	\$8,880
12/31/04	\$9,120
12/31/05	\$2,295

Investment Planning Corporation  
 NOTES TO FINANCIAL STATEMENT  
 December 31, 2002

NOTE 4: NET CAPITAL

Regulatory provisions require Investment Planning Corporation to maintain a minimum net capital as defined in such provisions. Net capital of Investment Planning Corporation fluctuated within a narrow range last year. At December 31, 2002, computed in accordance with applicable provisions of Rule 15c 3-1 of the Securities and Exchange Act of 1934, as amended, Investment Planning Corporation had a Net Capital requirement of \$5,000. Net Capital of Investment Planning Corporation at December 31, 2002 as computed below was actually \$351,491. Investment Planning had no liabilities as of December 31, 2002 other than ordinary expense accruals.

Computation of Net Capital December 31, 2002

Total stockholder's equity	\$390,935
Adjustments:	
Non-allowable assets	(32,496)
Net Capital	<u>\$358,439</u>

Reconciliation of Net Capital to computation on page 10 of the form X-17A-5.

Net Capital Per Form X-17A-5 before Haircuts	\$358,439
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Computation of Net Capital

Total Ownership Equity	\$390,935
Adjustments	
Non-allowable Assets	( 32,496)
Haircuts on Securities	( 6,948)
Revised Net Capital	<u>\$351,491</u>