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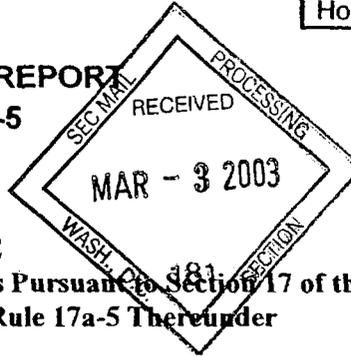


STATES  
CHANGE COMMISSION  
1, DC 20549

VF 3-6-03 RR

OMB APPROVAL	
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Hours per response	12.00

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



SEC FILE NUMBER
8 - 48061

**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 JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER:

JPR CAPITAL CORPORATION

OFFICIAL USE ONLY
FIRM ID. NO.

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

1800 NORTHERN BOULEVARD

(No. And Street)

ROSLYN

NY

11576

(City)

(State)

(Zip Code)

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

PAUL UMANSKY

(516) 621-8787

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

60 EAST 42<sup>ND</sup> STREET

NEW YORK

NY

10165

(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 20 2003  
THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY
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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 basis for the exemption. See section 240.17a-5(e)(2).

MAR 19 2003

OATH OR AFFIRMATION

I, PAUL UMANSKY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JPR CAPITAL 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Paul Umansky  
Signature  
PRESIDENT  
Title

Dann R O'Leary  
Notary Public  
DANN R. O'LEARY  
Notary Public, State of New York  
No. 0104612175  
Qualified in Nassau County  
Comm. Expires April 30, 2003

This report \*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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 or 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 sin the date of previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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



JPR CAPITAL CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2002

# FULVIO & ASSOCIATES, L.L.P.

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA

*Certified Public Accountants*

60 East 42nd Street  
New York, New York 10165  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
JPR Capital Corporation:

We have audited the accompanying statement of financial condition of JPR Capital Corporation (the "Company") as of December 31, 2002. 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 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial condition of JPR Capital Corporation as of December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

*Fulvio & Associates, L.L.P.*

New York, New York  
February 14, 2003

JPR CAPITAL CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2002

ASSETS

Cash in bank	\$ 157,528
Receivable from clearing brokers	1,189,982
Securities owned, at market	12,010
Investment in non-marketable securities, at cost	62,100
Fixed assets (net of accumulated depreciation of \$363,529)	100,789
Other assets	<u>85,141</u>
 TOTAL ASSETS	 <u>\$ 1,607,550</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:

Accounts payable and accrued expenses	\$ 235,380
Securities sold, but not yet purchased, at market	52,785
Payables to affiliates	5,340
Preferred dividend payable	60,318
Bank loan payable	<u>162,218</u>

TOTAL LIABILITIES \$ 516,041

SHAREHOLDERS' EQUITY:

Preferred stock	\$ 2,039,754
Common stock	278,000
Additional paid-in capital	29,531
Earnings deficit	(467,672)
Less: Treasury stock, at cost	<u>(788,104)</u>

TOTAL SHAREHOLDERS' EQUITY \$ 1,091,509

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$ 1,607,550

The accompanying notes are an integral part of this financial statement.

JPR CAPITAL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2002

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

JPR Capital Corporation (the "Company") is a registered broker-dealer with the Securities and Exchange Commission (the "SEC") and a member of the National Association of Securities Dealers, Inc. (the "NASD") and the National Futures Association (the "NFA"). The Company executes transactions for customers by forwarding all such transactions to two clearing brokers, Southwest Securities and Man Financial Inc., on a fully disclosed basis. The Company receives some of their introduced customer transactions from an Internet web site established by the Company.

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in market (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the customer and/or other counterparty with which it conducts business.

The Company has agreed to indemnify its clearing brokers for losses that the clearing brokers may sustain from the customer accounts introduced by the Company. As of December 31, 2002, there were no customer accounts with debit balances that presented any material risk of loss.

All clearing and depository operations for the Company's proprietary and introduced customer transactions are performed by its clearing brokers pursuant to clearance agreements.

NOTE 2 - INCOME TAXES

Since the Company has a net operating loss for the year ended December 31, 2002, it plans to carry forward the loss to future periods. An allowance for income tax benefit has been reflected in financial statements to estimate the future benefit of the company's net operating losses that it generated.

JPR CAPITAL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2002  
 (continued)

NOTE 3 - NET CAPITAL REQUIREMENT

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the SEC which requires the maintenance of minimum net capital, as defined and that aggregate indebtedness, as defined, does not exceed fifteen times net capital. At December 31, 2002, the Company had net capital of \$710,698 that exceeded their requirements by \$610,698.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Company has operating leases for its office space in two locations; one ending in January 2004 and the other in November 2003. The minimum aggregate rental payments are as follows:

<u>Year</u>	<u>Roslyn, NY</u>	<u>New York, NY</u>	<u>Total</u>
2003	<u>89,327</u>	<u>23,063</u>	<u>112,390</u>
Total	<u>\$ 89,327</u>	<u>\$ 23,063</u>	<u>\$ 112,390</u>

The Company also has numerous equipment leases for its computer equipment. All of these leases mature within three years and contain a bargain purchase option at the end of the lease. The Company does not intend to exercise these options since the Company believes that the computer equipment will be antiquated and need replacement. The minimum lease payments are as follows:

<u>Year</u>	<u>Total</u>
2003	<u>31,942</u>
Total	<u>\$ 31,942</u>

The Company is a respondent in lawsuits and proceedings incidental to its securities business. Legal counsel to the Company believes there are substantial defenses for the Company in each of the lawsuits and proceedings.

JPR CAPITAL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2002  
(continued)

NOTE 5 - COMMON AND PREFERRED STOCK

The following is a description of the Company's capital structure:

Common stock, no par value, 200 shares authorized, 30 shares issued and outstanding.

Preferred stock, Class "A" no par value, 10,000 shares authorized, 2,200 shares issued and outstanding, cumulative redeemable and callable at \$500 per share plus all accrued dividends anytime after one year from date of purchase.

Preferred stock, Class "B", no par value, 1,000 shares authorized, 1,000 shares issued and outstanding, cumulative non-redeemable.

The Company's treasury shares are accounted for using the cost method.

NOTE 6 - BANK LOAN PAYABLE

The Company has an outstanding loan payable on a revolving line of credit in the amount of \$162,218 at December 31, 2002. The stated rate of interest is 4.75%. The Company makes monthly payments of principal and interest as calculated by the commercial lender.

NOTE 7 - PENSION PLAN

The Company has a discretionary profit-sharing pension plan that covers eligible employees. The Company, at its discretion, funds the plan with not more than the maximum amount that can be deducted for federal income tax purposes. The Company does not plan on making any profit sharing plan contribution for calendar year 2002 due to the operating loss.