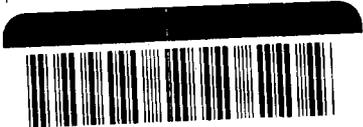


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

BB 3/4

OMB APPROVAL	
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Estimated average burden hours per response.....	12.00



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

SEC FILE NUMBER
8-51685

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: Main Street Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1407 Main Street

(No. and Street)

Hays

Kansas

67601

(City)

(State)

(Zip Code)

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

Roger D. Harman

(785) 628-8238

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Brungardt Hower Ward Elliott & Pfeifer, LC

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

P.O. Box 40

Hays

Kansas

67601

(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 18 2003

**THOMSON
FINANCIAL**

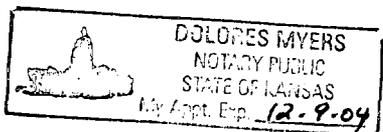
FOR OFFICIAL USE ONLY

*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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, David L. Meckenstock, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Main Street 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:



Signature: David L. Meckenstock
Member
Title

Dolores Myers
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~~ Cash Flows
(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.
X (o) 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).

Brungardt Hower

Ward Elliott & Pfeifer L.C.

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Hays, KS 67601-0040

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OFFICES IN HAYS AND GARDEN CITY

*CERTIFIED PUBLIC ACCOUNTANTS
and
MANAGEMENT CONSULTANTS*

INDEPENDENT AUDITORS' REPORT

Members
Main Street Securities, LLC

We have audited the accompanying statement of financial condition of Main Street Securities, LLC (the Company) as of December 31, 2002, and the related statements of income, changes in members' equity, changes in subordinated borrowings, and cash flows for the year then ended 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 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 Main Street Securities, LLC as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Brungardt Hower
Ward Elliott & Pfeifer L.C.*

Hays, Kansas
January 24, 2003

FINANCIAL STATEMENTS

Main Street Securities, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2002

ASSETS

Cash	\$ 6,086
Cash segregated under regulation	1,006
Commissions receivable	365,442
Note receivable	11,056
Securities owned:	
Available for sale, at fair value	3,815
Not readily marketable, at cost	3,300
Office equipment and software, at cost, less accumulated depreciation and amortization of \$14,043	17,105
Prepaid expenses and other	15,239
	<u>\$423,049</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts payable and accrued expenses	\$ 15,017
Commissions payable	<u>333,974</u>
	348,991
Subordinated borrowings	20,000
Commitments and contingencies	-
Members' equity	<u>54,058</u>
	<u>\$423,049</u>

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

Main Street Securities, LLC

STATEMENT OF INCOME

For the year ended December 31, 2002

Revenues:	
Commissions	\$ 2,978,712
Other	2,325
	<u>2,981,037</u>
Expenses:	
Commission expense	2,432,879
Office management and personnel	310,431
Insurance and bonds	36,237
Advertising and promotion	29,105
Occupancy	18,085
Licenses and fees	17,302
Leased equipment	16,478
Telephone	13,618
Legal and accounting	13,110
Consulting fees	12,377
Data processing	11,171
Postage	9,830
Travel	9,096
Office supplies	8,631
Subscriptions and dues	6,343
Depreciation and amortization	6,175
Meetings and education	4,690
Meals and entertainment	3,270
Interest expense	3,021
Donations	1,822
Other expenses	1,404
	<u>2,965,075</u>
Net income	<u>\$ 15,962</u>

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

Main Street Securities, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the year ended December 31, 2002

	Bobb Meckenstock	David Meckenstock	Accumulated other comprehensive loss	Total members' (deficit) equity
Members' deficit at January 1, 2002	<u>\$ (4,064)</u>	<u>\$ (3,906)</u>	<u>\$ (1,904)</u>	<u>\$ (9,874)</u>
Capital contributions				
Cash	3,159	1,641	-	4,800
Subordinated borrowings	<u>22,800</u>	<u>23,300</u>	<u>-</u>	<u>46,100</u>
	<u>25,959</u>	<u>24,941</u>	<u>-</u>	<u>50,900</u>
Comprehensive income:				
Net income	8,140	7,822	-	15,962
Unrealized securities losses arising during the period	-	-	(2,930)	<u>(2,930)</u>
Total comprehensive income	<u> </u>	<u> </u>	<u> </u>	<u>13,032</u>
Members' equity at December 31, 2002	<u><u>\$ 30,035</u></u>	<u><u>\$ 28,857</u></u>	<u><u>\$ (4,834)</u></u>	<u><u>\$ 54,058</u></u>

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

Main Street Securities, LLC

STATEMENT OF CHANGES IN SUBORDINATED BORROWINGS

For the year ended December 31, 2002

Subordinated borrowings at January 1, 2002	\$65,600
Subordination of accrued interest payable	500
Conversion of subordinated borrowings to capital	<u>(46,100)</u>
Subordinated borrowings at December 31, 2002	<u><u>\$20,000</u></u>

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

Main Street Securities, LLC

STATEMENT OF CASH FLOWS

For the year ended December 31, 2002

Decrease in cash		
Cash flows from operating activities		
Net income		\$ 15,962
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	\$ 6,175	
Loss on sale of securities	472	
Change in assets and liabilities		
Decrease in cash segregated under regulation	139	
Increase in commissions receivable	(312,854)	
Increase in other assets	(3,770)	
Increase in accounts payable and accrued expenses	2,026	
Increase in commissions payable	257,997	(49,815)
Net cash used in operating activities		(33,853)
Cash flows from investing activities		
Purchase of equipment and software	(549)	
Proceeds from sales of securities	3,139	
Issuance of note receivable	(15,000)	
Payments on note receivable	3,944	
Net cash used in investing activities		(8,466)
Cash flows from financing activities		
Capital contributions from members	4,800	
Net cash provided by financing activities		4,800
Net decrease in cash		(37,519)
Cash at beginning of the year		43,605
Cash at end of the year		<u>\$ 6,086</u>
Cash paid during the year for interest		<u>\$ 1,321</u>
Noncash financing activities:		

During 2002, \$46,100 of subordinated borrowings were converted to contributed capital and \$500 of accrued interest was subordinated.

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

Main Street Securities, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

1. Organization and nature of operations

Main Street Securities, LLC (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company is a Kansas limited liability company.

The Company operates as an introducing broker, clearing all transactions on a fully-disclosed basis through a secondary clearing agreement with another broker-dealer. The Company does not hold funds or securities for customers.

2. Commissions receivable

The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

3. Equipment and software

Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, using the straight-line method.

Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of equipment and software are included in earnings.

4. Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

5. Income taxes

The Company is treated as a partnership for federal and state income tax purposes. Consequently, income taxes are not payable by, or provided for, the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with their ownership of the Company.

Main Street Securities, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A - SUMMARY OF ACCOUNTING POLICIES - continued

6. Comprehensive Income

Statement of Financial Accounting Standards No. 130 requires the reporting of comprehensive income and its components in the financial statements. Comprehensive income is defined as the change in equity from transactions and other events and circumstances from non-owner sources, and excludes investments by and distributions to owners. Comprehensive income includes net income and other items of comprehensive income meeting the above criteria. The Company's only component of other comprehensive income is the unrealized holding loss on securities available for sale, which is reported in the statement of changes in members' equity.

7. Cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business to be cash equivalents.

8. Use of estimates

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - CASH SEGREGATED UNDER REGULATION

Cash is held in a centralized registration depository with the National Association of Securities Dealers, Inc. and used solely for registration transactions.

NOTE C - SECURITIES

Securities available for sale consist of equity securities carried at fair value of \$3,815. The cost basis of the securities is \$8,649 with the unrealized losses of \$4,834 included in accumulated other comprehensive loss. Gains and losses on the sale of securities are determined using the specific identification method.

Securities not readily marketable consist of 300 shares of The Nasdaq Stock Market, Inc. stock, carried at cost.

Main Street Securities, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE D - SUBORDINATED BORROWINGS

The borrowings under subordination agreements at December 31, 2002 consist of the following:

6% subordinated loan, due October 31, 2006	\$ 9,800
6% subordinated loan, due October 31, 2006	<u>10,200</u>
	<u>\$20,000</u>

The subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, and until written approval is granted by NASD Regulation, Inc., they may not be repaid.

NOTE E - CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

NOTE F - 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 that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the applicable exchange also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1). At December 31, 2002, the Company had net capital of \$33,435, which was \$10,168 in excess of its required net capital of \$23,267. The Company's net capital ratio was 10.44 to 1.

NOTE G - RELATED PARTIES

The Company shares office space and equipment with related companies under an agreement whereby the Company reimburses a certain percentage of various overhead expenses during the term of the agreement. In 2002, the Company paid approximately \$308,000 for such expenses.

SUPPLEMENTARY INFORMATION

Brungardt Hower
Ward Elliott & Pfeifer L.C.

209 East 13th Street P.O. Box 40
Hays, KS 67601-0040

Ph. (785) 628-8238
Fax (785) 625-5766

OFFICES IN HAYS AND GARDEN CITY

CERTIFIED PUBLIC ACCOUNTANTS
and
MANAGEMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5
OF THE SECURITIES AND EXCHANGE COMMISSION

Members
Main Street Securities, LLC

We have audited the accompanying financial statements of Main Street Securities, LLC as of and for the period ended December 31, 2002, and have issued our report thereon dated January 24, 2003. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I 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 under the Securities Exchange Act of 1934. 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.

Brungardt Hower
Ward Elliott & Pfeifer L.C.

Hays, Kansas
January 24, 2003

Main Street Securities, LLC

SCHEDULE I

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

December 31, 2002

Net capital		
Total members' equity		\$ 54,058
Add:		
Subordinated borrowings allowable in computation of net capital.		<u>20,000</u>
Total capital and allowable subordinated borrowings		74,058
Deductions and/or charges:		
Nonallowable assets:		
Cash segregated under regulation	\$ 1,006	
Commissions receivable greater than 30 days, net	3,401	
Equipment and software, net	17,105	
Prepaid expenses	15,239	
The NASDAQ Stock Market, Inc. stock	<u>3,300</u>	<u>40,051</u>
Net capital before haircuts on securities positions (tentative net capital)		34,007
Haircuts on securities		<u>572</u>
Net capital		<u><u>\$ 33,435</u></u>
Aggregate indebtedness		
Items included in statement of financial condition		
Accounts payable and accrued expenses		\$ 15,017
Commissions payable		<u>333,974</u>
Total aggregate indebtedness		<u><u>\$348,991</u></u>
Minimum net capital required		<u><u>\$ 23,267</u></u>
Excess net capital at 1500 percent		<u><u>\$ 10,168</u></u>
Deficient net capital at 1000 percent		<u><u>\$ (1,464)</u></u>
Ratio: Aggregate indebtedness to net capital		<u><u>10.44 to 1</u></u>

No reconciliation with company's computation included in Part II
of Form X-17A-5 as of December 31, 2002 is required as the amounts
are the same.

Exemption from Rule 15c3-3 is claimed based upon section (k)(2)(B) - all
customer transactions cleared through another broker-dealer on a fully
disclosed basis.

Broker-dealer Archer Alexander Securities
Clearing firm RBC Dain Correspondent Services

Brungardt Hower
Ward Elliott & Pfeifer L.C.

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OFFICES IN HAYS AND GARDEN CITY

CERTIFIED PUBLIC ACCOUNTANTS
and
MANAGEMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

Members
Main Street Securities, LLC

In planning and performing our audit of the financial statements and supplementary information of Main Street Securities, LLC (the Company) for the year ended December 31, 2002, we considered its internal control, including control activities 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.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a) (11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls 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 SEC's above-mentioned objectives. Two of the objectives of internal control 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 the 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 internal control or the practices and procedures referred to above, error or fraud 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 internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including control activities 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 SEC 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 SEC's objectives.

This report is intended solely for the information and use of the members, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Brungardt Hower
Ward Elliott & Pfeifer L.C.

Hays, Kansas
January 24, 2003