

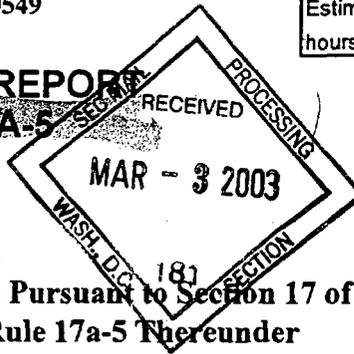
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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



SEC FILE NUMBER  
8 - 45147

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 04/01/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

MetCap Securities, LLC (Successor to WFN Invest, Inc.)

OFFICIAL USE ONLY  
FIRM ID. NO.

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

405 Lexington Avenue, 39th Floor

(No. and Street)

New York New York 10174  
(City) (State) (Zip Code)

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

Murray Forman (212) 370-3933  
(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Rothstein, Kass & Company, P.C.

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

85 Livingston Avenue Roseland New Jersey 07068  
(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

FOR OFFICIAL USE ONLY THOMSON FINANCIAL

\*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)

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.

MAR 17 2003

OATH OR AFFIRMATION

I, Murray Forman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MetCap Securities, LLC, 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:

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

JAN P. GOODE  
Notary Public, State of New York  
No. 31-4838258  
Qualified in New York County  
Certificate Filed in New York County  
Commission Expires March 30, 2007

*Jan P. Goode*  
Notary Public

JAN P. GOODE  
Notary Public, State of New York  
No. 31-4838258  
Qualified in New York County  
Certificate Filed in New York County  
Commission Expires March 30, 2007

*[Signature]*  
\_\_\_\_\_  
Signature

*Manager*  
\_\_\_\_\_  
Title

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 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 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.
- (o) Independent auditor's report on internal accounting control.
- (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

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

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**METCAP SECURITIES, LLC**  
(Successor to WFN Invest, Inc.)

STATEMENT OF FINANCIAL CONDITION  
AND  
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2002

# **METCAP SECURITIES, LLC**

(Successor to WFN Invest, Inc.)

## **CONTENTS**

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<b>Independent Auditors' Report</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Condition	2
Notes to Financial Statements	3-4



## INDEPENDENT AUDITORS' REPORT

To the Member  
MetCap Securities, LLC  
(Successor to WFN Invest, Inc.)

We have audited the accompanying statement of financial condition of MetCap Securities, LLC (Successor to WFN Invest, Inc.) as of December 31, 2002. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition 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 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of MetCap Securities, LLC (Successor to WFN Invest, Inc.) as of December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

*Rothstein, Kass & Company, P.C.*

Roseland, New Jersey  
February 13, 2003

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# METCAP SECURITIES, LLC

(Successor to WFN Invest, Inc.)

## STATEMENT OF FINANCIAL CONDITION

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December 31, 2002

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### ASSETS

Cash	<u>\$ 10,000</u>
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### LIABILITIES AND MEMBER'S EQUITY

Liabilities	<u>\$ -</u>
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Member's equity	<u>\$ 10,000</u>
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# **METCAP SECURITIES, LLC**

(Successor to WFN Invest, Inc.)

## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Organization and nature of operations**

MetCap Securities, LLC, (Successor to WFN Invest, Inc.) (the "Company") is a New York limited liability company and is wholly owned by MetCap Holding, LLC (the "Sole Member"). The Company is registered as a broker-dealer with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD). The Company's operations are primarily comprised of selling variable life insurance annuities and private placement securities.

On September 19, 2002, the Sole Member acquired all of the outstanding shares of capital stock of WFN Invest, Inc. MetCap Securities, LLC was formed on September 30, 2002 to succeed by merger to the business of WFN Invest, Inc. Effective October 4, 2002, WFN Invest, Inc. was merged with and into MetCap Securities, LLC with the Company as the surviving entity.

### **2. Summary of significant accounting policies**

#### *Income Taxes*

No provision for income taxes has been recorded because the Company is a limited liability company. Accordingly, its Sole Member reports its share of the Company's income or loss on its income tax returns.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

#### *Revenue and Expense Recognition from Securities Transactions*

Securities transactions and the related income and expenses are recorded on the trade-date.

### **3. Exemption from Rule 15c3-3**

The Company is exempt from SEC Rule 15c3-3 and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

### **4. Net capital requirement**

The Company, as a member of the NASD, is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2002, the Company's net capital was \$10,000, which was \$5,000 in excess of its minimum requirement of \$5,000.

# **METCAP SECURITIES, LLC**

(Successor to WFN Invest, Inc.)

## **NOTES TO FINANCIAL STATEMENTS**

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### **5. Related party transactions**

Effective October 1, 2002, the Company entered into an Administrative Services Agreement (the "Agreement") with its Sole Member. The Agreement requires the Sole Member to provide all services required by the Company to operate its business, including but not limited to, salaries, office facilities and services, office equipment and technology at no charge. The Agreement is for a period of fifteen months and may be cancelled or modified only with written approval by each party with a thirty days notice.