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

SECURITIES AND EXCHANGE COMMISSION  
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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 January 1, 2002 AND ENDING December 31, 2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
Growththink Securities, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
1800 Abbot Kinney, Suite B

(No. and Street)  
Venice CA 90291  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Jay Turo (310) 823-6505  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Kevin G. Breard, CPA An Accountancy Corporation

(Name - if individual, state last, first, middle name)  
9010 Corbin Avenue, Suite 7 Northridge California 91324  
(Address) (City) (State) Zip Code

- CHECK ONE:**
- Certified Public Accountant
  - Public Accountant
  - Accountant not resident in United States or any of its possessions.

**PROCESSED**

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MAR 12 2003  
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).

OATH OR AFFIRMATION

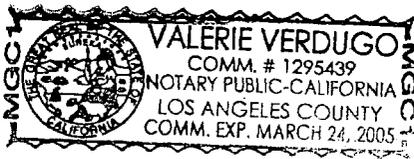
I, Jay Turo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Growthink Securities, Inc.

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:

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

State of California  
County of Los Angeles  
Subscribed and sworn (or affirmed) to before me this 17th day of January, 2003  
*[Signature]*  
Notary Public

*[Signature]*  
Signature  
MANAGING DIRECTOR  
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~~ 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 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).

KEVIN G. BREARD, C.P.A.  
AN ACCOUNTANCY CORPORATION

Independent Auditor's Report

Board of Directors  
Growthink Securities, Inc.  
(A Development Stage Company)

I have audited the accompanying statement of financial condition of Growthink Securities, Inc. (A Development Stage Company) as of December 31, 2002, and the related statements of operations, changes in stockholders' equity, 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Growthink Securities, Inc. (A Development Stage Company) as of December 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules I-III are presented for purposes of additional analysis and is not required as part of the basic financial statements, but as supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subject to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respect in relating to the basic financial statements taken as a whole and in conformity with the rules of the Securities and Exchange Commission.



Kevin G. Breard  
Certified Public Accountant

Northridge, California  
January 9, 2003

NORTHRIDGE OFFICE PLAZA  
9010 CORBIN AVENUE, SUITE 7  
NORTHRIDGE, CALIFORNIA 91324  
(818) 886-0940 • FAX (818) 886-1924  
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**Growththink Securities, Inc.**  
**(A Development Stage Company)**  
**Statements of Financial Condition**  
**December 31, 2002**

**Assets**

Cash	\$ 6,278
Prepaid expenses	<u>128</u>
<b>Total assets</b>	<b><u>\$ 6,406</u></b>

**Liabilities & Stockholders' Equity**

**Liabilities**

Accounts payable	<u>\$ 56</u>
<b>Total liabilities</b>	<b>56</b>

**Stockholders' equity**

Common stock, no par value, 10,000,000 shares authorized, 2,000,000 issued and outstanding	20,000
Deficit accumulated during the development stage	<u>(13,650)</u>

**Total stockholders' equity** 6,350

**Total liabilities & stockholders' equity** \$ 6,406

*The accompanying notes are an integral part of these financial statements.*

**Growthink Securities, Inc.**  
**(A Development Stage Company)**  
**Statement of Operations**  
**For the Year Ended December 31, 2002**

<b>Revenues</b>	<u>\$ —</u>
<b>Total revenue</b>	—
<b>Expenses</b>	
Taxes, licenses, & fees, other than income taxes	2,365
Other expenses	<u>11,285</u>
<b>Total expenses</b>	<u>13,650</u>
<b>Income (loss) before income tax provision</b>	(13,650)
<b>Income tax provision</b>	<u>—</u>
<b>Total income tax provision</b>	<u>—</u>
<b>Net income (loss)</b>	<u>\$ (13,650)</u>

*The accompanying notes are an integral part of these financial statements.*

**Growthink Securities, Inc.**  
**(A Development Stage Company)**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2002**

	<u>Capital Stock</u>	<u>Deficit Accumulated During the Development Stage</u>	<u>Total</u>
Balance, at January 1, 2002	\$ -	\$ -	\$ -
Issuance of capital stock	\$ 20,000	\$ -	\$ 20,000
Net income (loss)	<u>-</u>	<u>(13,650)</u>	<u>(13,650)</u>
Balance, at December 31, 2002	<u>\$ 20,000</u>	<u>\$ (13,650)</u>	<u>\$ 6,350</u>

*The accompanying notes are an integral part of these financial statements.*

**Growththink Securities, Inc.**  
**(A Development Stage Company)**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2002**

**Cash flow from operating activities**

Net income (loss)		<u>\$ (13,650)</u>
Adjustments to reconcile net loss to net cash used in operating activities:		
(Increase) decrease in:		
Prepaid expenses	\$ (128)	
(Decrease) increase in:		
Accounts payable	<u>56</u>	
<b>Total adjustments</b>		<u>(72)</u>
<b>Net cash used in operating activities</b>		(13,722)

**Cash flows from investing activities**

-

**Cash flows from financing activities**

Issuance of capital stock	<u>20,000</u>	
<b>Net cash provided by operating activities</b>		<u>20,000</u>
<b>Net increase in cash</b>		6,278
<b>Cash at the beginning of the year</b>		<u>-</u>
<b>Cash at the end of the year</b>		<u>\$ 6,278</u>

**Supplemental disclosure of cash flow information**

Cash paid during the year ended December 31, 2002

Income taxes	\$ -
Interest	\$ -

*The accompanying notes are an integral part of these financial statements.*

**Growththink Securities, Inc.**  
**(A Development Stage Company)**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2002**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Growththink Securities, Inc. (the "Company") has been in the development stage since its formation on December 6, 2001 in the state of California. A development stage company devotes substantially all of its efforts to establishing a new business, and no significant revenues have been produced. The Company commenced operations in private placements of securities and market research for venture capital. The Company is a member of the National Association of Securities Dealers (NASD) and the Securities Investor Protection Corporation (SIPC).

The Company conducts business on a fully disclosed basis whereby the execution and clearance of trades are handled by another Broker/Dealer. The Company does not hold customer funds and/or securities.

*Summary of Significant Accounting Principles*

The presentation of 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 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.

Advertising cost are expensed as incurred.

**Note 2: INCOME TAXES**

The Company elected not to record the California state minimum franchise tax of \$800, for the year ended December 31, 2002, per an expense sharing agreement (Note 3). The related party will pay this tax.

The Company has elected to carry-forward its operating loss at December 31, 2002. This operating loss carry-forward may be applied against future taxable income, resulting in a deferred tax asset of approximately \$1,960, that expires in the year 2022. A 100% valuation allowance has been established against this asset since management cannot determine if it is more likely than not that the asset will be realized.

**Growthink Securities, Inc.**  
**(A Development Stage Company)**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2002**

**Note 3: RELATED PARTY TRANSACTIONS**

Shareholders in the Company are also shareholders in a related entity - Growthink, Inc. The Company has an expense sharing agreement with the related entity. As outlined in the agreement, one-third (1/3) of all operating expenses will be shared. However, in an addendum dated April 30, 2002, the expense allocation will be waived for 2002 without recourse.

**Note 4: COMPUTATION OF NET CAPITAL**

The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities and Exchange Commission, which requires both the maintenance of minimum net capital and the maintenance of a maximum ratio of aggregate indebtedness to net capital. Net capital and aggregate indebtedness change day to day, but on December 31, 2002, the Company's net capital of \$6,222 exceeded the minimum net capital requirement by \$1,222; and the Company's ratio of aggregate indebtedness (\$56) to net capital was 0.00 to 1, which is less than the 8 to 1 maximum ratio required of a first year Broker/Dealer.

**Growththink Securities, Inc.**  
**(A Development Stage Company)**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2002**

**Computation of net capital**

Stockholders' equity		
Common stock	\$ 20,000	
Deficit accumulated during the development stage	<u>(13,650)</u>	
 Total stockholders' equity		 \$ 6,350
 <b>Less: Non allowable assets</b>		
Prepaid expenses	<u>(128)</u>	
Total adjustments		<u>(128)</u>
 Net capital before haircuts		 <u>6,222</u>
 Net Capital		 6,222

**Computation of net capital requirements**

Minimum net capital requirements		
12.5 percent of net aggregate indebtedness	\$ 7	
Minimum dollar net capital required	5,000	
Net capital required (greater of above)		<u>5,000</u>
 Excess net capital		 <u>\$ 1,222</u>
 Percentage of aggregate indebtedness to net capital	0.00:1	

There was no material difference in net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2002.

*See independent auditor's report*

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**Growthink Securities, Inc.**  
**(A Development Stage Company)**  
**Schedule II - Computation for Determination of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2002**

A computation of reserve requirement is not applicable to Growthink Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2).

*See independent auditor's report*

**Growththink Securities, Inc.**  
**(A Development Stage Company)**  
**Schedule III - Information Relating to Possession or Control**  
**Requirements Under Rule 15c3-3**  
**As of December 31, 2002**

Information relating to possession or control requirements is not applicable to Growththink Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2).

*See independent auditor's report*

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**Growthink Securities, Inc.**  
**Supplementary Accountant's Report**  
**on Internal Accounting Control**  
**Report Pursuant to 17a-5**  
**For the Year Ended December 31, 2002**

KEVIN G. BREARD, C.P.A.  
AN ACCOUNTANCY CORPORATION

Board of Directors  
Growththink Securities, Inc.

In planning and performing my audit of the financial statements of Growththink Securities, Inc. for the year ended December 31, 2002, I considered its internal control structure, for the purpose for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures followed by Growththink Securities, Inc. including tests of such practices and procedures that I considered relevant to 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 security accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making the 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 structure and the practice and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the proceeding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure 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 preparation of financial statements in conformity with generally accepted accounting principles. Rule 17-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the 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 design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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, I noted no matters involving the internal control structure, including procedures for safeguarding securities, that I considered to be material weakness as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose 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 material inadequacy for such purposes. Based on this understanding on my study, I believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.



Kevin G. Breard  
Certified Public Accountant

Northridge, California  
January 9, 2003