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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 8-51646

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 1/01/02 AND ENDING 12/31/02 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Telemetry Securities, L.L.C.

OFFICIAL USE ONLY FIRM ID. NO.

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

20 Exchange Place, 53rd Floor

(No. and Street)

New York, New York 10005

(City)

(State)

(Zip Code)

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

Earl Goodman (212) 509-7800

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

DEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Grant Thornton LLP

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

PROCESSED MAR 21 2003 THOMSON FINANCIAL

60 Broad Street New York N.Y. 10004

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

SEC MAIL RECEIVED PROCESSING MAR 03 2003 WASH. D.C. 155 SECTION

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, James A. Phillips swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Telemetry Securities, L.L.C. 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:

James A. Phillips

 Signature

Chief Operating Officer

Title

Aurelia S. Grey

 Notary Public

Aurelia S. Grey
 COMMISSIONER OF DEEDS
 CITY OF NEW YORK NUMBER 2-11697
 CERTIFICATE FILED IN NEW YORK COUNTY
 COMMISSION EXPIRES AUGUST 12, 2003

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 240.17e-3(e)(3).

STATEMENT OF FINANCIAL CONDITION AND
REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

TELEMETRY SECURITIES, L.L.C.
(a Delaware limited liability company)

December 31, 2002



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Members of
Telemetry Securities, L.L.C.

We have audited the accompanying statement of financial condition of Telemetry Securities, L.L.C. (a Delaware limited liability company) (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 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 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 position of Telemetry Securities, L.L.C., Inc. as of December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
February 18, 2003

Telemetry Securities, L.L.C.

STATEMENT OF FINANCIAL CONDITION

December 31, 2002

ASSETS

Securities owned, at market value	\$ 87,706,262
Receivable from clearing broker	115,404,260
Other	<u>79,427</u>
	<u>\$203,189,949</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities	
Securities sold, but not yet purchased, at market value	\$ 87,507,204
Accounts payable and accrued expenses	<u>41,235</u>
Total liabilities	87,548,439
Members' equity	<u>115,641,510</u>
Total liabilities and members' equity	<u>\$203,189,949</u>

The accompanying notes are an integral part of this statement.

Telemetry Securities, L.L.C.

NOTES TO STATEMENT OF FINANCIAL CONDITION

December 31, 2002

NOTE A - ORGANIZATION AND BUSINESS

Telemetry Securities, L.L.C., a Delaware limited liability company (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the American Stock Exchange, Inc. ("ASE"). The Company was established for the purpose of engaging in proprietary trading activities using strategies on a global basis in the form of trading in domestic and foreign securities and other financial instruments.

The Company's Manager is Telemetry Investments, L.L.C. ("Investments"). The Company's members are Telemetry Fund I, L.P. ("L.P.") and Telemetry Fund (Cayman) I, Ltd. ("Ltd."). The investment objectives and restrictions of L.P. and Ltd. apply to the Company as if those investments were made directly by L.P. and Ltd. L.P. and Ltd. share in the profits and losses of the Company in proportion to their respective interests in the Company. Their loss is limited to the amount of their investments.

The Company shall continue until December 31, 2030 unless otherwise sooner dissolved or extended by Telemetry Investments, L.L.C. ("Investments") in its capacity as managing member of the Company.

As the Company clears all transactions through another broker-dealer, it is exempt from the provisions of SEC Rule 15c3-3 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of that rule.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities Transactions

Securities owned and securities sold, but not yet purchased, are stated at quoted market values. Subsequent market fluctuation of securities sold, but not yet purchased, may require purchasing the securities at prices, which may differ from the market values, reflected in the statement of financial condition.

Securities transactions are recorded on a trade-date basis.

Telemetry Securities, L.L.C.

NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

December 31, 2002

NOTE B (continued)

Receivable From Clearing Broker

Receivable from clearing broker includes cash held at the clearing broker, Merrill Lynch Professional Clearing Corporation (the "Clearing Broker"). Substantially all of the Company's cash and securities are held with the Clearing Broker.

Income Taxes

No provision for income taxes has been reflected in the accompanying statement of financial condition since a limited liability company is not responsible for the payment of Federal income taxes. All revenues and expenses retain their character and pass through directly to the members.

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. Actual results could differ from those estimates.

NOTE C - NET CAPITAL REQUIREMENT

As a registered broker-dealer, the Company is subject to Uniform Net Capital Rule 15c3-1 of the SEC, which requires that the Company maintain minimum net capital, as defined, of \$100,000 or 6-2/3% of aggregate indebtedness, as defined, whichever is greater. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2002, the Company had net capital of \$92,569,048, which exceeded its requirement of \$100,000 by \$92,469,048. At December 31, 2002, the Company's ratio of aggregate indebtedness to net capital was 0.04%. The capital rules of the SEC and the ASE provide that equity capital may not be withdrawn or cash dividends paid if resulting net capital would be less than the minimum requirements. Additionally, the capital rules of the SEC and ASE also provide that the Company must promptly notify the SEC and the ASE about the withdrawal(s) of equity capital assuming such withdrawal(s) exceed(s) certain percentages of the Company's excess net capital.

Proprietary accounts held at the Clearing Broker ("PAIB assets") are considered allowable assets in the computation of net capital pursuant to an agreement between the Company and the Clearing Broker which requires, among other things, that the Clearing Broker perform a computation of PAIB assets similar to the customer reserve computation set forth in Rule 15c3-3.

Telemetry Securities, L.L.C.

NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

December 31, 2002

NOTE D - CAPITAL ACCOUNTS

The Company maintains a separate capital account for each member. The capital accounts are comprised of initial and subsequent contributions less any withdrawals made during the period. The Manager of the Company may admit additional members or capital contributions on the first day of each fiscal quarter or at such time as the Manager in its discretion sees fit. Each member has the right to withdraw, within 45 days of giving prior written notice to the Manager, its Capital Account Balance, as defined, from the Company effective as of June 30 or December 31 of any fiscal year occurring on or after the first anniversary of the initial capital contribution.

NOTE E - FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

In the normal course of business, the Company used various financial instruments as part of its strategies to meet its investment objectives. The execution, settlement and financing of these transactions may result in off-balance-sheet risk or concentration of credit risk.

The Company may be exposed to a risk of loss not reflected in the statement of financial condition for Securities sold, but not yet purchased, should the value of such securities rise. The Company's principal activities are subject to the risk of counterparty nonperformance.

NOTE F - SUBSEQUENT EVENTS

Effective January 2003, the Company had pending withdrawals of approximately \$1,600,000.

Grant Thornton

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