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SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

AR 3/6/03

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

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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 01/02/2002 AND ENDING 12/31/2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Susquehanna Brokerage, LP

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

401 City Line Avenue

(No. and Street)

Bala Cynwyd

PA

19004

(City)

(State)

(Zip Code)

OFFICIAL USE ONLY
FIRM ID. NO.

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

John Henry

(610) 617-2600

(Area Code- Telephone Number)



B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goldstein Golub Kessler, LLP

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

1185 Avenue of the Americas

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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FINANCIAL

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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 the basis for the exemption. See section 240.17a-5(e)(2).

BB 3/19

OATH OR AFFIRMATION

I, John Henry _____ swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Susquehanna Brokerage, LP _____, 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:

Mad Mad 2/27/03
Notary Public

[Handwritten Signature]

Signature

Title

MICHAEL L. MOLLEN, COMMISSIONER OF DEEDS
Montgomery County, Pennsylvania
My Commission Expires June 01, 2006

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.

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



GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S REPORT

To the Partners of
Susquehanna Brokerage, L.P.

We have audited the accompanying statement of financial condition of Susquehanna Brokerage, L.P. (a limited partnership) 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 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Susquehanna Brokerage, L.P. as of December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP

GOLDSTEIN GOLUB KESSLER LLP

February 7, 2003

SUSQUEHANNA BROKERAGE, L.P.
(a limited partnership)

STATEMENT OF FINANCIAL CONDITION

December 31, 2002

ASSETS

Cash	\$ 4,900
Receivable from Clearing Broker	1,163,966
Commissions Receivable	139,511
Receivable from Affiliates	192,476
Exchange Memberships - Company-owned, at cost (market value \$2,000,000)	1,883,333
Prepaid Asset	629,934
Other Assets	98,265
Total Assets	\$4,112,385

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:

Payable to affiliate	\$ 10,223
Accounts payable and accrued expenses	131,006
Total liabilities	141,229
Partners' Capital	3,971,156
Total Liabilities and Partners' Capital	\$4,112,385

See Notes to Statement of Financial Condition

SUSQUEHANNA BROKERAGE, L.P.

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2002

- 1. ORGANIZATION:** Susquehanna Brokerage, L.P. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the New York Stock Exchange, Inc. (the "NYSE") and the American Stock Exchange, LLC ("Amex"). The Company earns commissions primarily from acting as an introducing broker for other registered broker-dealers on the NYSE and Amex. The Company is owned 99% by Susquehanna Specialists, Inc. and 1% by Susquehanna Brokerage, LLC.

- 2. SIGNIFICANT ACCOUNTING POLICIES:** This statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America, which require the use of estimates by management.

No provision for federal, state or local income taxes has been made since, as a partnership, the Company is not subject to income taxes. The Company is an exempt entity for state and local tax purposes.

- 3. RECEIVABLE FROM CLEARING BROKER AND CONCENTRATION OF CREDIT RISK:** At December 31, 2002, the receivable from the clearing broker represents commissions earned as an introducing broker.

The Company has agreed to indemnify its clearing broker for losses that it may sustain from the accounts introduced by the Company. As of December 31, 2002, there were no unsecured amounts related to these accounts that were owed to the clearing broker.

- 4. RELATED PARTY TRANSACTIONS:** The Company executes trades for affiliated broker-dealers for which it receives commissions at various rates.

An affiliated entity acts as a common payment agent for the Company and various affiliates for all direct and indirect expenses. The Company pays a monthly management fee for the indirect costs based on allocations determined at the affiliated entity's discretion.

Susquehanna Business Development Inc., an affiliate, performs marketing services for the Company. The payable to this affiliate for these services is \$10,223 as of December 31, 2002. Because of its short-term nature, the fair value of the payable to affiliate approximates its carrying amount.

Guaranteed payments were payable on certain contributed Partners' capital at broker's call rate, as defined, plus 8%.

The Company and various other entities are under common ownership and control. As a result, management can exercise its discretion when determining which entity will engage in trading new product lines. Therefore, the financial position presented herein may not necessarily be indicative of that which would be obtained had these entities operated autonomously.

SUSQUEHANNA BROKERAGE, L.P.

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2002

5. **NET CAPITAL REQUIREMENT:** As a registered broker-dealer and member firm of the NYSE, the Company is subject to the Uniform Net Capital rule 15c3-1 of the SEC. The Company computes its net capital under the basic method permitted by the rule, which requires the maintenance of minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or \$5,000, whichever is greater. At December 31, 2002, the Company had net capital of \$1,086,497, which exceeded its requirement of \$147,610 by \$938,887.