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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- 35508

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: **GunnAllen Financial, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1715 N. Westshore Blvd., 7th Floor

(No. and Street)

Tampa,

FL

33607

(City)

(State)

(Zip Code)

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

Bradley A. Fay

(813) 282-0808

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche, LLP

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

201 E. Kennedy Blvd., Suite 1200

Tampa,

FL

33602

(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
MAR 08 2003

FOR OFFICIAL USE ONLY

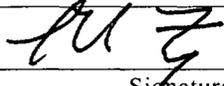
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

BP
3/17

OATH OR AFFIRMATION

I, Bradley A. Fay, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GunnAllen Financial, Inc., 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:

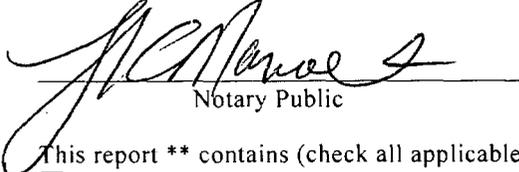
Not Applicable



Signature

Executive VP, CFO, FINOP

Title


Notary Public

LEWANNE K. MANOLT
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # CC977278
EXPIRES 10/29/2004
BONDED THRU ASA 1-888-NOTARY1

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 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.

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

GUNNALLEN FINANCIAL, INC.

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This report ** contains (check all applicable boxes):

- (x) Independent Auditors' Report
 - (x) (a) Facing Page
 - (x) (b) Statement of Financial Condition
 - (x) (c) Statement of Operations
 - (x) (d) Statement of Cash Flows
 - (x) (e) Statement of Changes in Stockholder's Equity
 - (x) (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors
- (x) Notes to Financial Statements
- (x) (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934
- (x) (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934
- () (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (NOT APPLICABLE - See Note 1 - Operations)
- (x) (j) A Reconciliation, including Appropriate Explanations, of the Computation of Net Capital under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Rule 15c3-3 (included in items g and h)
- () (k) A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (NOT APPLICABLE)
- (x) (l) An Oath or Affirmation
- () (m) Copy of the SIPC Supplemental Report (NOT REQUIRED)
- (x) (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control)

** For conditions of confidential treatment of certain portions of this filing, see Section 240.17a-15(e)(3).



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
GunnAllen Financial, Inc.

We have audited the following financial statements of GunnAllen Financial, Inc. (the "Company") for the year ended December 31, 2002, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934:

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Statement of Changes in Liabilities Subordinated to Claims of General Creditors	7

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. Our procedures included a review of the Company's control activities for safeguarding securities. 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, such financial statements present fairly, in all material respects, the financial position of the Company at 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The following supplemental schedules of the Company as of December 31, 2002, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934:

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for Brokers and Dealers Pursuant to Rule 15c3-3 Under the
Securities Exchange Act of 1934

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These schedules are the responsibility of the Company's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

February 14, 2003

GUNNALLEN FINANCIAL, INC.

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2002

ASSETS

Cash	\$ 342,214
Cash segregated for regulatory purposes	<u>174,375</u>
Total cash and cash segregated under federal regulations	516,589
Deposit with clearing firm organization	981,478
Receivable from clearing firm	3,103,760
Employee loan receivable	1,305,460
Marketable securities owned, at market value	291,398
Furniture, equipment, and leasehold improvements, at cost, less accumulated depreciation of \$230,706	6,848
Intangible asset, at cost, less accumulated amortization of \$125,861	202,121
Deferred tax asset	930,241
Other assets	<u>500,671</u>
TOTAL ASSETS	<u>\$ 7,838,566</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Commissions payable to brokers	\$ 2,563,059
Transactions payable	124,626
Firm trading short, at market value	382,426
Accounts payable and other liabilities	734,168
Income tax payable	<u>378</u>
Total liabilities	<u>3,804,657</u>
STOCKHOLDER'S EQUITY:	
Common stock - \$1 par value; 1,000 shares authorized, issued and outstanding	1,000
Additional paid-in capital	5,223,498
Deficit	<u>(1,190,589)</u>
Total stockholder's equity	<u>4,033,909</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 7,838,566</u>

See notes to financial statements.