



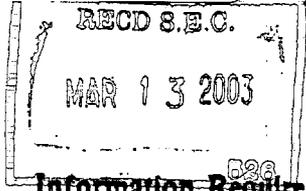
03015175

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

* * * 3/14/2003

SEC FILE NUMBER
8-18860

16
3-14-03



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

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

LaSalle St. Securities, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

223 West Lake Street

Chicago Illinois 60606
(City) (State) (Zip Code)

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

Daniel J. Schlessler

(312) 705-5015
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Mulcahy, Pauritsch, Salvador & Co., Ltd.

9661 West 143rd Street Orland Park Illinois 60462
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

FOR OFFICIAL USE ONLY
MAR 24 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).

pat

OATH OR AFFIRMATION

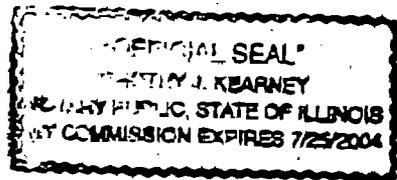
I, Daniel J. Schlessor swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LaSalle St. Securities, LLC, as of December 31, 2002 are true and correct. I further swear (or affirm) that neither the company 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:

[Signature]

Title

[Signature]

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.

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

LASALLE ST. SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

LASALLE ST. SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Condition	2
Notes to Statement of Financial Condition	3 - 6

To the Members of
LaSalle St. Securities, LLC
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial condition of LaSalle St. Securities, LLC 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 U.S. generally accepted auditing standards. 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 financial statement. 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 LaSalle St. Securities, LLC as of December 31, 2002, in conformity with U.S. generally accepted accounting principles.

Mulcahy, Pawltsch, Salvador, Co., Ltd.

February 14, 2003
Orland Park, Illinois

LASALLE ST. SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

ASSETS

Cash	\$ 125,099
Deposit with clearing organizations	278,525
Exchange membership, at cost	25,000
Accounts receivable, net of allowance for doubtful accounts of \$174,173	605,877
Securities owned, at market	4,959,339
Due from affiliates	65,846
Notes receivable	410,000
Equipment and leasehold improvements, less accumulated depreciation of \$326,941	214,467
Other assets	<u>13,460</u>
Total assets	<u>\$ 6,697,613</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:	
Accounts payable	\$ 250,856
Commissions payable	1,902,011
Payable to brokers, dealers and clearing organizations	40,320
Accrued payroll	674,442
Accrued other	148,556
Due to affiliate	10,984
Securities sold, not yet purchased, at market	<u>301,885</u>
Total liabilities	3,329,054
Member's equity	<u>3,368,559</u>
Total liabilities and member's equity	<u>\$ 6,697,613</u>

See notes to statement of financial condition.

LASALLE ST. SECURITIES, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2002

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of various exchanges and the National Association of Securities Dealers (NASD). The Company is a Delaware limited liability company that is owned by McDermott Holdings I Limited Partnership. The Company provides investment related services for companies and individuals throughout the country.

Estimates

Management uses estimates and assumptions in preparing the statement of financial condition. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Revenue Recognition

Securities transactions and related commissions and expenses are recorded on a trade date basis. Marketable securities are valued at market value. The resulting difference between cost and market value is included in income.

Accounts Receivable

Accounts receivable represent amounts due for commissions and fees earned on investment transactions performed on behalf of customers.

Bad debts are provided on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable at the end of the year.

Notes Receivable

Notes receivable are comprised of uncollateralized advances made to unrelated parties which have various interest rates and maturity dates.

Depreciation

Equipment and leasehold improvements are stated at cost and depreciated using accelerated methods over the estimated useful lives of the assets.

**LASALLE ST. SECURITIES, LLC
NOTES TO STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002**

NOTE 2. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

At December 31, 2002, equipment and leasehold improvements consisted of the following:

Computer equipment	\$	397,680
Leasehold improvements		21,610
Furniture and fixtures		66,853
Company vehicles		<u>55,265</u>
Total	\$	<u>541,408</u>

NOTE 3. SECURITIES OWNED AND SOLD, BUT NOT YET PURCHASED

Marketable securities owned and sold, not yet purchased consist of trading and investment securities at quoted market values, as illustrated below:

	<u>Owned</u>	<u>Sold, but not yet purchased</u>
Corporate bonds	\$ 257,538	\$ 15,134
Corporate stocks	709,323	210,444
Obligations of U.S. government	3,148,274	0
State and municipal obligations	56,100	76,307
Other securities	<u>788,104</u>	<u>0</u>
Total	\$ <u>4,959,339</u>	\$ <u>301,885</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The Company shares common ownership with several affiliated companies.

During the year ended December 31, 2002, the Company provided various administrative and operating services to affiliated companies for which they were paid \$152,257.

The Company leases office space from an affiliated company on a month-to-month basis. The Company is responsible for paying real estate taxes on the leased property. Rent expense for the year ended December 31, 2002 was \$345,384. Estimated real estate taxes for the year ended December 31, 2002 were \$103,500.

LASALLE ST. SECURITIES, LLC
NOTES TO STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

NOTE 5. NET CAPITAL REQUIREMENTS

The Company is a broker-dealer subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). Under this rule, the Company is required to maintain "minimum net capital" equivalent to \$250,000 or 6 2/3% of "aggregate indebtedness," whichever is greater, as these terms are defined.

Net capital and aggregate indebtedness change from day to day, but at December 31, 2002, the Company had net capital and net capital requirements of \$1,722,202 and \$250,000, respectively. The Company's net capital ratio was 1.758 to 1. The net capital rule may effectively restrict the payment of cash dividends.

NOTE 6. CONTINGENCIES

Clearing Agreement

The Company is responsible for any loss, liability, damage, cost or expense incurred or sustained by the clearing agent as a result of the failure of any introduced account to make a timely payment for securities purchased or timely and good delivery of securities sold.

Litigation

The Company is a defendant in various lawsuits incidental to its securities and commodities business. Management of the Company, after consultation with outside legal counsel, believes that the resolution of these various lawsuits will not result in any material adverse effect on the Company's financial position.

NOTE 7. OFF BALANCE SHEET CREDIT AND MARKET RISK

The Company enters into transactions involving options and corporate equity securities for trading purposes, or to hedge other positions or transactions. These contracts are marked to market daily and involve elements of market risk in excess of the amounts recognized in the financial statements. Securities sold, not yet purchased, represent obligations of the Company to deliver the specified securities and thereby create a liability to repurchase the securities in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk as the Company's ultimate obligation to satisfy the sale of securities sold, not yet purchased, may exceed the amount recognized in the statement of financial condition.

**LASALLE ST. SECURITIES, LLC
NOTES TO STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002**

NOTE 8. CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company occasionally maintains bank balances in excess of federally insured limits. The Company has not experienced any losses on such accounts.

The Company's accounts receivable and clearing deposits are maintained by several clearing organizations. The Company has not experienced any losses on such accounts.

NOTE 9. MEMBER'S LIABILITY, INTERESTS, RIGHTS, PREFERENCES, AND PRIVILEGES

The Company is a Delaware limited liability company established September 1, 1999 with a term that is perpetual. The Company's Operating Agreement specifies the following information relating to its members:

- Members' liability limitation
- Rights and obligations of members
- Members' contributions to the company and capital accounts
- Allocations, income tax, distributions, elections and reports of members
- Transferability and redemption of members' interests
- Additional members