



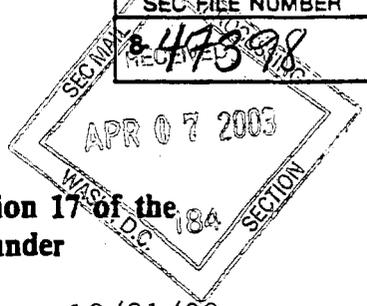
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SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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

SEC FILE NUMBER
47398



**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: BGB SECURITIES, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
1100 NORTH GLEBE ROAD, SUITE 1040  
(No. and Street)

ARLINGTON, VA 22201  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
WILLIAM S. BERNO (703) 528-7788  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
BISH & HAFFEY, P.C.

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

50 SOUTH PICKETT STREET, SUITE 200, ALEXANDRIA, VA 22304  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

**PROCESSED**  
 JUN 02 2003  
 THOMSON FINANCIAL

FOR OFFICIAL USE ONLY
<i>[Handwritten Signature]</i>

\*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).

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BGB SECURITIES, INC.COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE SECURITIES  
AND EXCHANGE COMMISSIONDECEMBER 31, 2002

Beginning ownership equity	\$	342 138
Net income		104 706
Additions to Capital		
Ownership equity December 31		<u>446 844</u>
Deductions and other charges:		
Nonallowable assets		
Fees receivable from parent company		145 519
Furniture and equipment, net		
Leasehold improvements, net		
Software, net		
Organization costs, net		96
Deferred tax benefit		
Deposits		
Prepaid expenses		
Total deductions and other charges		<u>145 615</u>
Net capital before haircuts on securities positions		301 229
Haircuts on securities		
Corporate bonds		4 416
Corporate stocks warrants		103 410
Total haircuts		<u>107 826</u>
Net capital	\$	<u>193 403</u>
Aggregate indebtedness		
Payable to contractor	\$	92 376
Accounts payable and accrued expenses		
Income taxes payable		
Total aggregate indebtedness	\$	<u>92 376</u>
Computation of basic net capital requirement		
Minimum net capital required	\$	<u>50 000</u>
Excess net capital	\$	<u>143 403</u>
Excess net capital at 1,000%	\$	<u>184 165</u>
Ratio of aggregate indebtedness to net capital		<u>48%</u>
Reconciliation to Computation included in Part II of Form X-17A-5 as of December 31		
Net capital, as reported in Company's Part II (unaudited)		
FOCUS report	\$	286 225
Warrant haircut adjustment		(87 210 )
Net audit adjustments		<u>(69 493 )</u>
Net capital per above	\$	<u>193 403</u>