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

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

SEC FILE NUMBER  
8-52919

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 January 1, 2002 AND ENDING December 31, 2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Springboard Securities

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

1617 - E 1st Street Ste E

(No. and Street)

Santa Ana

Ca

92701

(City)

(State)

(Zip Code)

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

Jon Hansen - 949-376-2204

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Corbin and Company

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

2603 Main St Ste 600 Irvine, Ca 92614

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**

MAY 01 2003

THOMSON FINANCIAL

**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)

OATH OR AFFIRMATION

I, Jon Hansen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Springboard Securities, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Signature  
Chief Executive Officer  
Title

[Signature]  
Notary Public

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).



State of California  
County of Orange  
Subscribed and sworn (or affirmed) to before me this 27th day of March, 2003  
[Signature]  
(Signature of Notary)

**SPRINGBOARD SECURITIES, INC.**  
**SEC ID NO. 8-52919**

**STATEMENT OF FINANCIAL CONDITION AND  
SUPPLEMENTAL SCHEDULE**

**As of December 31, 2002**

*with*

**INDEPENDENT AUDITORS' REPORT THEREON**

*and*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING  
CONTROL REQUIRED BY SEC RULE 17a-5**

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# CORBIN & COMPANY<sub>LLP</sub>

*Certified Public Accountants and Business Consultants*

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Springboard Securities, Inc.

We have audited the accompanying statement of financial condition of Springboard Securities, Inc. (the "Company") as of December 31, 2002 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above present fairly, in all material respects, the financial position of Springboard Securities, Inc. as of December 31, 2002, 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 statement of financial condition taken as a whole. The supplemental schedule of the Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 Under the Securities Exchange Act of 1934 as of December 31, 2002 is presented for purposes of additional analysis and is not a required part of the statement of financial condition, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the statement of financial condition and, in our opinion, is fairly stated in all material respects in relation to the statement of financial condition taken as a whole.

Irvine, California  
March 25, 2003

*Corbin & Company LLP*  
CORBIN & COMPANY, LLP

**SPRINGBOARD SECURITIES, INC.**

**STATEMENT OF FINANCIAL CONDITION**

	<u>December 31, 2002</u>
<b>ASSETS</b>	
Cash	\$ 124,682
Commissions receivable	59,842
Employee advances	26,478
Deposits	<u>36,574</u>
	<u>\$ 247,576</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>	
Liabilities:	
Accounts payable	24,641
Commissions payable	61,554
Income taxes payable	<u>21,800</u>
	<u>107,995</u>
Commitments and contingencies	
Shareholder's equity:	
Common stock, no par value; 100,000 shares authorized; 1,000 shares issued and outstanding	15,000
Contributed capital	49,956
Retained earnings	<u>74,625</u>
Total shareholder's equity	<u>139,581</u>
	<u>\$ 247,576</u>

*See independent auditors' report and  
accompanying notes to financial statements*

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**SPRINGBOARD SECURITIES, INC.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**As of December 31, 2002**

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**NOTE 1 – GENERAL**

Organization

Springboard Securities, Inc. (the "Company") was incorporated in California on August 11, 2000 and began operations in August 2001. The Company's sole shareholder is its parent company, Springboard Capital Corporation ("SCC").

The Company is registered with the Securities and Exchange Commission (the "Commission") as a broker/dealer in securities and is a member of the National Association of Securities Dealers (the "NASD"). The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph (k)(2)(ii) of such rule) under the Securities Exchange Act of 1934, as the Company is an introducing broker/dealer on a fully disclosed basis which promptly transmits all funds and delivers all securities received in connection with its activities to another broker/dealer, and does not hold funds or securities for, or owe money or securities to, customers. Because of such exemptions, the Company is not required to prepare a determination of reserve requirements for brokers and dealers.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Risks, Uncertainties and Concentrations

*Net Capital Requirements*

The Company must maintain, at all times, minimum net capital of \$5,000 or 6-2/3% of Aggregate Indebtedness, whichever is greater, and a ratio of aggregate indebtedness to net capital of less than 15 to 1, as defined under Commission Rule 15c3-1, "Net Capital Requirements for Broker Dealers." As of December 31, 2002, the Company had net capital of \$76,529, which was \$69,326 in excess of the required minimum capital, and had a ratio of aggregate indebtedness to net capital of 1.41 to 1.

*Registration*

The Company must register with state departments that govern compliance with securities laws in which it does business. The Company generates a substantial amount of commission income in the state of California. Various regulatory requirements exist in each state with which the Company must comply. Should the Company violate certain state securities laws, it could be prohibited from doing business in that state.

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SPRINGBOARD SECURITIES, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2002

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, continued**

*Cash*

At times, the Company may maintain cash balances in excess of the Federal Deposit Insurance Corporation limits per customer per financial institution. As of December 31, 2002, there were no funds in excess of federally insured limits.

*Customers*

In the normal course of business, the Company's customer activities involve the execution and settlement of various customer securities and financial instrument transactions. These activities may expose the Company to off-balance-sheet credit risk in the event the customer is unable to fulfill its contracted obligations. The Company mitigates this risk through an extensive approval process.

Use of Estimates

In the normal course of preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Customers' securities transactions, and related commission revenue and expense, are recorded on a trade date basis.

Income Taxes

The Company has elected to be treated as a C corporation for income tax purposes. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates, in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." There were no deferred tax assets or liabilities as of December 31, 2002.

**SPRINGBOARD SECURITIES, INC.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**As of December 31, 2002**

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, continued**

Liquidity

The Company has a limited operating history and the Company's ability to continue in existence is dependent on, among other factors, the Company's ability to continue to generate adequate cash flows from operations and from debt and equity financing to fund its operations. The Company has addressed the factors mentioned above by focusing on its business plan to increase its customer base. Management believes that this plan is sufficient to allow the Company to adequately fund its operations through at least December 31, 2003. In the event that additional funds are required, SCC has committed to provide such funding.

**NOTE 3 - RELATED-PARTY TRANSACTIONS**

The Company has an arrangement with SCC whereby SCC provides the Company facilities, fixed assets and general and administrative support at various rates. As of December 31, 2002, no amounts are due under this arrangement.

**SPRINGBOARD SECURITIES, INC.**

**SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES EXCHANGE ACT OF 1934**

	<u>As of December 31, 2001</u>
Credits:	
Shareholder's equity	\$ 139,581
Deduction:	
Unallowable assets	(63,052)
Haircuts on securities positions	<u>-</u>
Net capital	76,529
Minimum net capital requirement (the greater of 6-2/3% of aggregate indebtedness of \$107,995 or \$5,000)	<u>7,203</u>
Excess net capital	\$ <u>69,326</u>
Aggregate indebtedness	\$ <u>107,995</u>
Ratio of aggregate indebtedness to net capital	<u>1.41 to 1</u>

NOTE - A reconciliation of the above net capital with the Company's corresponding unaudited Form X-17a-5, Part IIA is summarized as follows:

Net capital per computation included in the Company's corresponding unaudited Form X-17a-5, Part IIA filing	\$ 83,000
Reconciling items:	
Miscellaneous adjustments to net income	<u>(6,471)</u>
Net capital per above	\$ <u>76,529</u>

# CORBIN & COMPANY<sub>LLP</sub>

*Certified Public Accountants and Business Consultants*

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

To the Board of Directors  
Springboard Securities, Inc.

Dear Sirs:

In planning and performing our audit of the statement of financial condition of Springboard Securities, Inc. (the "Company") as of December 31, 2002, we considered its internal control, including control activities for safeguarding securities in order to determine our auditing procedures for the purpose of expressing an opinion on the statement of financial condition and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "Commission"), we made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following: making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures discussed in the preceding paragraph.

Because of inherent limitations in internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including internal control activities for safeguarding securities for safeguarding securities that we consider to be a material weakness, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and is not intended to be and should not be used by anyone other than these specified parties.

*Corbin & Company LLP*  
CORBIN & COMPANY, LLP

Irvine, California  
March 25, 2003