

114  
12/9/2003

SO 12/9/03 XH

SECUR



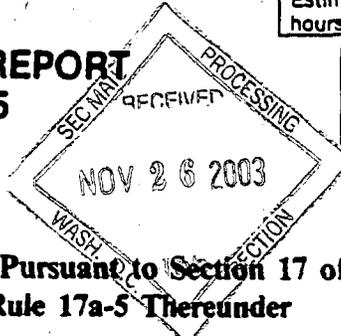
03041685

MISSION

|  |                  |
|--|------------------|
| OMB APPROVAL   |                  |
| OMB Number:  | 3235-0123        |
| Expires:   | October 31, 1989 |
| Estimated average burden<br>hours per response . . . | 12.00            |

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8- 51483        |

**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 October 1, 2002 AND ENDING September 30, 2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

ASB SECURITIES, LLC

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO.      |

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

1345 AVENUE OF THE AMERICAS - 43rd FLOOR

(No. and Street)

NEW YORK

NEW YORK

10105-4300

(City)

(State)

(Zip Code)

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

HOWARD GREEN

212-698-3322

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

JOEL E. SAMMET & CO.

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

20 EXCHANGE PLACE

NEW YORK

NEW YORK

10005

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED  
DEC 12 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).

8872-11

OATH OR AFFIRMATION

I, Howard Green, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ASB SECURITIES, LLC, as of September 30, 2003, 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  
**Senior Vice President**  
\_\_\_\_\_  
Title

\_\_\_\_\_  
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 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).

**JOEL E. SAMMET & CO.**

CERTIFIED PUBLIC ACCOUNTANTS  
20 EXCHANGE PLACE  
NEW YORK, N.Y. 10005

JOEL E. SAMMET, C.P.A. (1925-1968)  
DAVID R. SAFER, C.P.A.  
BERNARD TURNER, C.P.A.  
JEROME S. GRUBIN, C.P.A.  
FRANKLIN M. JACOBSON, C.P.A.  
STEVEN A. SOKOL, C.P.A.

TELEPHONE  
(212) 269-8628

FAX  
(212) 809-6185



Board of Directors  
ASB Securities, LLC

In planning and performing our audit of the consolidated financial statements of ASB Securities, LLC, for the year ended September 30, 2003, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
3. The Company is exempt from making quarterly securities examinations and exempt from obtaining and maintaining physical possession because of the exemptions provided by SEC rule 15c-3(k)(2)(B) and Regulation 17a-13(a).

The management of the Company is responsible for establishing and maintaining an 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 internal control 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 conformity with generally accepted accounting principles.

Continued

Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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 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 error or fraud 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 control activities for safeguarding securities, that we consider to be material weaknesses 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 September 30, 2003, to meet the SEC's objectives.

#### RECOMMENDATIONS

NONE

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that 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.

*Joel E. Sammet & Co.*

New York, New York  
October 16, 2003

**ASB SECURITIES, LLC**  
**FOCUS REPORT - FORM X-17A-5**  
**PART I**  
**SEPTEMBER 30, 2003**

**FORM  
X-17A-5**

**FOCUS REPORT**

(Financial and Operational Combined Uniform Single Report)

**PART II** 11

10/85

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
 4) Special request by designated examining authority  19      5) Other  26

**E OF BROKER-DEALER**

**ASB SECURITIES, LLC**  13

**RESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)**

**1345 AVENUE OF THE AMERICAS**  20

(No. and Street)

**NEW YORK**  21

**NEW YORK**  22

**10105**  23

(City)

(State)

(Zip Code)

**SEC. FILE NO.**

**8-51483**  14

**FIRM ID. NO.**

**46585**  15

**FOR PERIOD BEGINNING (MM/DD/YY)**

**10/01/02**  24

**AND ENDING (MM/DD/YY)**

**09/30/03**  25

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

(Area Code)—Telephone No.

**HOWARD GREEN**  30

**212-698-3322**  31

**NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:**

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

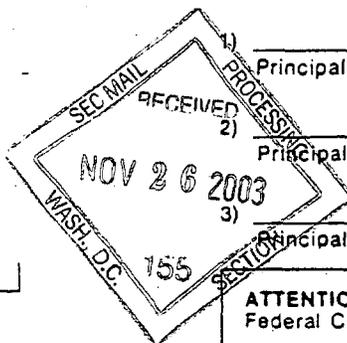
Dated the \_\_\_\_\_ day of November, 2003

Manual signatures of:

\_\_\_\_\_  
1) Principal Executive Officer or Managing Partner

\_\_\_\_\_  
2) Principal Financial Officer or Partner

\_\_\_\_\_  
3) Principal Operations Officer or Partner



**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:(a))

**JOEL E. SAMMET & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

20 EXCHANGE PLACE  
NEW YORK, N.Y. 10005

JOEL E. SAMMET, C.P.A. (1925-1968)  
DAVID R. SAFER, C.P.A.  
BERNARD TURNER, C.P.A.  
JEROME S. GRUBIN, C.P.A.  
FRANKLIN M. JACOBSON, C.P.A.  
STEVEN A. SOKOL, C.P.A.

TELEPHONE  
(212) 269-8628

FAX  
(212) 809-6185

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
ASB Securities, LLC

We have audited the accompanying financial condition of ASB Securities, LLC, as of September 30, 2003, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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. 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 financial statements referred to above present fairly, in all material respects, the financial position of ASB Securities, LLC at September 30, 2003, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Joel E. Sammet & Co.*

New York, New York  
October 16, 2003

**ASB SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2003**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ASB Securities, LLC is a broker/dealer registered with the National Association of Security Dealers. It does not hold any customer securities nor carry any customer accounts. All customer transactions are cleared through, and their securities and accounts are carried by, a member firm of the New York Stock Exchange and other major exchanges.
- B. The Company maintains its books on the accrued method of accounting for both income tax and financial reporting purposes.
- C. The Company is a wholly owned subsidiary of Arnhold and S. Bleichroeder Holdings, Inc.

**NOTE 2      CUSTOMER PROTECTION**

The Company is exempt from the Customer Protection Act by virtue of the exemption provided for by SEC Rule 15c3-3(k)(2)(i).

**NOTE 3      REGULATORY REQUIREMENTS**

The Company is a registered broker-dealer, and accordingly is subject to the Uniform Net Capital Rule 15C3-1 of the Securities and Exchange Commission and the capital rules of the National Association of Securities Dealers. The Company has elected to use the alternative net capital method permitted by the Rule, which requires the Company maintain minimum net capital, as defined, equal to 2% of aggregate debit items arising from customer transactions, as defined. At September 30, 2003 net capital was \$1,646,869. The minimum required net capital was \$250,000 leaving an excess net capital of \$1,396,869.

**NOTE 4      CUSTODY AND SAFEKEEPING**

The Company is not required to conduct quarterly security counts because it is exempt therefrom by the provisions of Regulation 17a-13(a).

**NOTE 5      TAXATION**

The Company is a single member LLC. It does not file any tax returns, but all information is reported on its parent's tax return.

See the Accompanying Independent Auditors' Report.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

BOOKER OR DEALER

ASB SECURITIES, LLC

N 2

100

**STATEMENT OF FINANCIAL CONDITION**

As of (MM/DD/YY) 09/30/03

99

SEC FILE NO. 8-51483

98

Consolidated   
Unconsolidated

198

199

ASSETS

Allowable

Nonallowable

Total

|  |           |     |        |            |     |
|--|-----------|-----|--------|------------|-----|
| Cash   | 393,404   | 200 |        | \$ 393,404 | 750 |
| Cash segregated in compliance with federal and other regulations     |           | 210 |        |            | 760 |
| Receivable from brokers or dealers and clearing organizations:       |           |     |        |            |     |
| A. Failed to deliver:  |           |     |        |            |     |
| 1. Includable in "Formula for Reserve Requirements"                  |           | 220 |        |            |     |
| 2. Other   |           | 230 |        |            | 770 |
| B. Securities borrowed:  |           |     |        |            |     |
| 1. Includable in "Formula for Reserve Requirements"                  |           | 240 |        |            |     |
| 2. Other   |           | 250 |        |            | 780 |
| C. Omnibus accounts:   |           |     |        |            |     |
| 1. Includable in "Formula for Reserve Requirements"                  |           | 260 |        |            |     |
| 2. Other   |           | 270 |        |            | 790 |
| D. Clearing organizations:   |           |     |        |            |     |
| 1. Includable in "Formula for Reserve Requirements"                  |           | 280 |        |            |     |
| 2. Other   |           | 290 |        |            | 800 |
| E. Other   |           | 300 | \$ 550 |            | 810 |
| 4. Receivables from customers:                                       |           |     |        |            |     |
| A. Securities accounts:  |           |     |        |            |     |
| 1. Cash and fully secured accounts                                   |           | 310 |        |            |     |
| 2. Partly secured accounts   |           | 320 | 560    |            |     |
| 3. Unsecured accounts  |           |     | 570    |            |     |
| B. Commodity accounts  |           | 330 | 580    |            |     |
| C. Allowance for doubtful accounts                                   |           | 335 | 590    |            | 820 |
| 5. Receivables from non-customers:                                   |           |     |        |            |     |
| A. Cash and fully secured accounts                                   |           | 340 |        |            |     |
| B. Partly secured and unsecured accounts                             |           | 350 | 600    |            | 830 |
| 6. Securities purchased under agreements to resell                   |           | 360 | 605    |            | 840 |
| 7. Securities and spot commodities owned, at market value:           |           |     |        |            |     |
| A. Bankers acceptances, certificates of deposit and commercial paper |           | 370 |        |            |     |
| B. U.S. and Canadian government obligations                          | 4,361,365 | 380 |        |            |     |
| C. State and municipal government obligations                        |           | 390 |        |            |     |
| D. Corporate obligations   |           | 400 |        |            |     |

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

BOOKER OR DEALER

**ASB SECURITIES, LLC**

as of 09/30/03

**STATEMENT OF FINANCIAL CONDITION**

ASSETS

Allowable

Nonallowable

Total

|   |    |           |           |               |
|---|----|-----------|-----------|---------------|
| E. Stocks and warrants  | \$ | 410       |           |               |
| F. Options  |    | 420       |           |               |
| G. Arbitrage  |    | 422       |           |               |
| H. Other securities   |    | 424       |           |               |
| I. Spot commodities   |    | 430       |           |               |
|   | \$ |           |           | 4,361,365 860 |
| 8. Securities owned not readily marketable:   |    |           |           |               |
| A. At Cost  | \$ | 130       |           |               |
| B. At estimated fair value  |    | 440       | \$        | 610           |
|   |    |           |           | 860           |
| 9. Other investments not readily marketable:  |    |           |           |               |
| A. At Cost  | \$ | 140       |           |               |
| B. At estimated fair value  |    | 450       |           | 620           |
|   |    |           |           | 870           |
| 10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value: |    |           |           |               |
| A. Exempted securities  | \$ | 150       |           |               |
| B. Other  | \$ | 160       | \$        | 460           |
|   |    |           |           | 630           |
|   |    |           |           | 880           |
| 11. Secured demand notes - market value of collateral:  |    |           |           |               |
| A. Exempted securities  | \$ | 170       |           |               |
| B. Other  | \$ | 180       |           | 470           |
|   |    |           |           | 640           |
|   |    |           |           | 890           |
| 12. Memberships in exchanges:   |    |           |           |               |
| A. Owned, at market value   | \$ | 190       |           |               |
| B. Owned at cost  |    |           |           | 650           |
| C. Contributed for use of company, at market value  |    |           | \$        | 660           |
|   |    |           |           | 900           |
| 13. Investment in and receivables from affiliates, subsidiaries and associated partnerships                                       |    | 480       |           | 670           |
|   |    |           |           | 910           |
| 14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:                                     |    |           |           |               |
| At cost (net of accumulated depreciation and amortization)  |    | 490       |           | 680           |
|   |    |           |           | 920           |
| 15. Other Assets:   |    |           |           |               |
| A. Dividends and interest receivable  |    | 500       |           | 690           |
| B. Free shipments   |    | 510       |           | 700           |
| C. Loans and advances   |    | 520       |           | 710           |
| D. Miscellaneous  |    | 530       |           | 720           |
|   |    |           | 6,130,547 | 720           |
|   | \$ | 4,754,769 | \$        | 6,130,547     |
|   |    | 540       |           | 740           |
|   |    |           |           | 10,885,316    |
|   |    |           |           | 940           |
| 16. TOTAL ASSETS  | \$ | 4,754,769 | \$        | 6,130,547     |
|   |    | 540       |           | 740           |
|   |    |           |           | 10,885,316    |
|   |    |           |           | 940           |

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

WORKER OR DEALER

ASB SECURITIES, LLC

as of 09/30/03

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY**

**Liabilities**

**A.I.  
Liabilities \***

**Non-A.I.  
Liabilities \***

**Total**

Bank loans payable:

A. Includable in "Formula for Reserve

|                     |    |      |    |      |    |      |
|---------------------|----|------|----|------|----|------|
| Requirements" ..... | \$ | 1030 | \$ | 1240 | \$ | 1460 |
|---------------------|----|------|----|------|----|------|

|                |  |      |  |      |  |      |
|----------------|--|------|--|------|--|------|
| B. Other ..... |  | 1040 |  | 1250 |  | 1470 |
|----------------|--|------|--|------|--|------|

|  |  |  |  |      |  |      |
|--|--|--|--|------|--|------|
| Securities sold under repurchase agreements .. |  |  |  | 1260 |  | 1480 |
|--|--|--|--|------|--|------|

Payable to brokers or dealers and clearing organizations:

A. Failed to receive:

|                                       |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|
| 1. Includable in "Formula for Reserve |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|

|                     |  |      |  |      |  |      |
|---------------------|--|------|--|------|--|------|
| Requirements" ..... |  | 1050 |  | 1270 |  | 1490 |
|---------------------|--|------|--|------|--|------|

|                |  |      |  |      |  |      |
|----------------|--|------|--|------|--|------|
| 2. Other ..... |  | 1060 |  | 1280 |  | 1500 |
|----------------|--|------|--|------|--|------|

B. Securities loaned:

|                                       |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|
| 1. Includable in "Formula for Reserve |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|

|                     |  |      |  |  |      |  |
|---------------------|--|------|--|--|------|--|
| Requirements" ..... |  | 1070 |  |  | 1510 |  |
|---------------------|--|------|--|--|------|--|

|                |    |      |  |      |  |      |
|----------------|----|------|--|------|--|------|
| 2. Other ..... | 16 | 1080 |  | 1290 |  | 1520 |
|----------------|----|------|--|------|--|------|

C. Omnibus accounts:

|                                       |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|
| 1. Includable in "Formula for Reserve |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|

|                     |  |      |  |  |  |      |
|---------------------|--|------|--|--|--|------|
| Requirements" ..... |  | 1090 |  |  |  | 1530 |
|---------------------|--|------|--|--|--|------|

|                |  |      |    |      |  |      |
|----------------|--|------|----|------|--|------|
| 2. Other ..... |  | 1095 | 19 | 1300 |  | 1540 |
|----------------|--|------|----|------|--|------|

D. Clearing organizations:

|                                       |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|
| 1. Includable in "Formula for Reserve |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|

|                     |  |      |  |  |  |      |
|---------------------|--|------|--|--|--|------|
| Requirements" ..... |  | 1100 |  |  |  | 1550 |
|---------------------|--|------|--|--|--|------|

|                |  |      |  |      |  |      |
|----------------|--|------|--|------|--|------|
| 2. Other ..... |  | 1105 |  | 1310 |  | 1560 |
|----------------|--|------|--|------|--|------|

|                |  |      |  |      |  |      |
|----------------|--|------|--|------|--|------|
| E. Other ..... |  | 1110 |  | 1320 |  | 1570 |
|----------------|--|------|--|------|--|------|

Payable to customers:

A. Securities accounts including free credits

|          |    |        |  |  |    |         |
|----------|----|--------|--|--|----|---------|
| of ..... | 21 | \$ 950 |  |  | 22 | \$ 1580 |
|----------|----|--------|--|--|----|---------|

|                               |    |      |  |      |  |      |
|-------------------------------|----|------|--|------|--|------|
| B. Commodities accounts ..... | 27 | 1130 |  | 1330 |  | 1590 |
|-------------------------------|----|------|--|------|--|------|

Payable to non customers:

|                              |  |      |  |      |  |      |
|------------------------------|--|------|--|------|--|------|
| A. Securities accounts ..... |  | 1140 |  | 1340 |  | 1600 |
|------------------------------|--|------|--|------|--|------|

|                               |  |      |  |      |  |      |
|-------------------------------|--|------|--|------|--|------|
| B. Commodities accounts ..... |  | 1150 |  | 1350 |  | 1610 |
|-------------------------------|--|------|--|------|--|------|

Securities sold not yet purchased at market

value including arbitrage

|          |  |        |  |      |  |      |
|----------|--|--------|--|------|--|------|
| of ..... |  | \$ 960 |  | 1360 |  | 1620 |
|----------|--|--------|--|------|--|------|

3. Accounts payable and accrued liabilities

and expenses:

|                         |  |      |  |  |  |      |
|-------------------------|--|------|--|--|--|------|
| A. Drafts payable ..... |  | 1160 |  |  |  | 1630 |
|-------------------------|--|------|--|--|--|------|

|                           |  |      |  |  |           |      |
|---------------------------|--|------|--|--|-----------|------|
| B. Accounts payable ..... |  | 1170 |  |  | 1,193,539 | 1640 |
|---------------------------|--|------|--|--|-----------|------|

|                               |  |      |  |  |           |      |
|-------------------------------|--|------|--|--|-----------|------|
| C. Income taxes payable ..... |  | 1180 |  |  | 1,892,554 | 1650 |
|-------------------------------|--|------|--|--|-----------|------|

|                                |  |  |    |      |  |      |
|--------------------------------|--|--|----|------|--|------|
| D. Deferred income taxes ..... |  |  | 20 | 1370 |  | 1660 |
|--------------------------------|--|--|----|------|--|------|

|   |  |      |  |  |  |      |
|---|--|------|--|--|--|------|
| E. Accrued expenses and other liabilities ..... |  | 1190 |  |  |  | 1670 |
|---|--|------|--|--|--|------|

|                |    |      |  |      |  |      |
|----------------|----|------|--|------|--|------|
| F. Other ..... | 18 | 1200 |  | 1380 |  | 1680 |
|----------------|----|------|--|------|--|------|

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER**

**ASB SECURITIES, LLC**

as of 09/30/03

**STATEMENT OF FINANCIAL CONDITION**

**LIABILITIES AND OWNERSHIP EQUITY (continued)**

| <u>Liabilities</u>   | <u>A.I.<br/>Liabilities *</u> | <u>Non-A.I.<br/>Liabilities *</u> | <u>Total</u>      |
|--|-------------------------------|-----------------------------------|-------------------|
| 24. Notes and mortgages payable:   |                               |                                   |                   |
| A. Unsecured .....   | \$ 1210                       |                                   | \$ 1690           |
| B. Secured .....   | 1211                          | \$ 1390                           | 1700              |
| 25. Liabilities subordinated to claims of<br>general creditors:                  |                               |                                   |                   |
| A. Cash borrowings .....   |                               | 1400                              | 1710              |
| 1. from outsiders \$   | 970                           |                                   |                   |
| 2. Includes equity subordination (15c3-1 (d))<br>of .....                        | \$ 980                        |                                   |                   |
| B. Securities borrowings, at market value;<br>from outsiders \$                  | 990                           | 1410                              | 1720              |
| C. Pursuant to secured demand note<br>collateral agreements; .....               |                               | 1420                              | 1730              |
| 1. from outsiders \$   | 1000                          |                                   |                   |
| 2. Includes equity subordination (15c3-1 (d))<br>of .....                        | \$ 1010                       |                                   |                   |
| D. Exchange memberships contributed for<br>use of company at market value .....  |                               | 1430                              | 1740              |
| E. Accounts and other borrowings not<br>qualified for net capital purposes ..... | 1220                          | 1440                              | 1750              |
| 26. TOTAL LIABILITIES .....  | \$ 1230                       | \$ 1450                           | \$ 3,086,093 1760 |

**Ownership Equity**

|  |         |           |                    |
|--|---------|-----------|--------------------|
| 27. Sole proprietorship .....                    |         |           | \$ 1770            |
| 28. Partnership- limited<br>partners .....       | \$ 1020 |           | 1780               |
| 29. Corporation:                                 |         |           |                    |
| A. Preferred stock .....                         |         |           | 1791               |
| B. Common stock .....                            |         | 1,000     | 1792               |
| C. Additional paid-in capital .....              |         | 5,639,604 | 1793               |
| D. Retained earnings .....                       |         | 2,158,619 | 1794               |
| E. Total .....                                   |         | 7,799,223 | 1795               |
| F. Less capital stock in treasury .....          |         |           | 1796               |
| 30. TOTAL OWNERSHIP EQUITY .....                 |         |           | \$ 7,799,223 1800  |
| 31. TOTAL LIABILITIES AND OWNERSHIP EQUITY ..... |         |           | \$ 10,885,316 1810 |

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

BOOKER OR DEALER

**ASB SECURITIES, LLC**

as of 09/30/03

**COMPUTATION OF NET CAPITAL**

|  |    |           |      |
|--|----|-----------|------|
| Total ownership equity (from Statement of Financial Condition - Item 1800)                         | \$ | 7,799,223 | 3480 |
| Deduct Ownership equity not allowable for net capital  | (  |           | 3490 |
| Total ownership equity qualified for net capital   |    | 7,799,223 | 3500 |
| Add:   |    |           |      |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital |    |           | 3520 |
| B. Other (deductions) or allowable credits (List)  |    |           | 3525 |
| Total capital and allowable subordinated liabilities   | \$ | 7,799,223 | 3530 |
| Deductions and/or charges:   |    |           |      |
| A. Total non-allowable assets from   |    |           |      |
| Statement of Financial Condition (Note B and C)  | \$ | 6,130,547 | 3540 |
| 1. Additional charges for customers' and non-customers' security accounts                          |    |           | 3550 |
| 2. Additional charges for customers' and non-customers' commodity accounts                         |    |           | 3560 |
| B. Aged fail-to-deliver:   |    |           | 3570 |
| 1. Number of items   |    | 3450      |      |
| C. Aged short security differences-less reserve of   | \$ | 3460      | 3580 |
| number of items  |    | 3470      |      |
| D. Secured demand note deficiency  |    |           | 3590 |
| E. Commodity futures contracts and spot commodities - proprietary capital charges                  |    |           | 3600 |
| F. Other deductions and/or charges   |    |           | 3610 |
| G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)                   |    |           | 3615 |
| H. Total deductions and/or charges   |    | 6,130,547 | 3620 |
| Other additions and/or allowable credits (List)  |    |           | 3630 |
| Net Capital before haircuts on securities positions  | \$ | 1,668,676 | 3640 |
| Haircuts on securities: (computed, where applicable, pursuant to 15c3-1 (f) ):                     |    |           |      |
| A. Contractual securities commitments  |    |           | 3660 |
| B. Subordinated securities borrowings  |    |           | 3670 |
| C. Trading and Investment securities:  |    |           |      |
| 1. Bankers' acceptances, certificates of deposit and commercial paper                              |    |           | 3680 |
| 2. U.S. and Canadian government obligations  |    | 21,807    | 3690 |
| 3. State and municipal government obligations  |    |           | 3700 |
| 4. Corporate obligations   |    |           | 3710 |
| 5. Stocks and warrants   |    |           | 3720 |
| 6. Options   |    |           | 3730 |
| 7. Arbitrage   |    |           | 3732 |
| 8. Other securities  |    |           | 3734 |
| D. Undue concentration   |    |           | 3650 |
| E. Other (list)  |    |           | 3736 |
| Net Capital  | \$ | 1,646,869 | 3750 |

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

**BROKER OR DEALER**

as of 09/30/03

**ASB SECURITIES, LLC**

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

|   |    |  |      |
|---|----|--|------|
| 11. Minimum net capital required (6-2/3% of line 19) .....  | \$ |  | 3758 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) ..... | \$ |  | 3758 |
| 13. Net capital requirement (greater of line 11 or 12) .....  | \$ |  | 3760 |
| 14. Excess net capital (line 10 less 13) .....  | \$ |  | 3770 |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19) .....   | \$ |  | 3780 |

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

|  |    |      |      |
|--|----|------|------|
| 16. Total A.L. liabilities from Statement of Financial Condition .....   | \$ |      | 3790 |
| 17. Add:   |    |      |      |
| A. Drafts for immediate credit .....   | \$ | 3800 |      |
| B. Market value of securities borrowed for which no equivalent value is paid or credited .....   | \$ | 3810 |      |
| C. Other unrecorded amounts (List) .....   | \$ | 3820 |      |
| 18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c) (1) (vii)) .....   | \$ |      | 3838 |
| 19. Total aggregate indebtedness .....   | \$ |      | 3840 |
| 20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....   | %  |      | 3850 |
| 21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 ÷ by line 10 less Item 4880 page 11) ..... | %  |      | 3853 |

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

|  |    |           |      |
|--|----|-----------|------|
| 22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits ..... | \$ |           | 3870 |
| 23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....  | \$ | 250,000   | 3880 |
| 24. Net capital requirement (greater of line 22 or 23) .....   | \$ | 250,000   | 3760 |
| 25. Excess net capital (line 10 less 24) .....   | \$ | 1,396,869 | 3910 |
| 26. Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8) .....  | %  |           | 3851 |
| 27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits (line 10 less Item 4880 page 11 ÷ by line 17 page 8) .....  | %  |           | 3854 |
| 28. Net capital in excess of the greater of:   |    |           |      |
| A. 5% of combined aggregate debit items or \$120,000 .....   | \$ | 1,526,869 | 3920 |

**OTHER RATIOS**

**Part C**

|  |   |  |      |
|--|---|--|------|
| 29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) .....  | % |  | 3860 |
| 30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital ..... | % |  | 3852 |

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.