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UNITED STATES AND EXCHANGE COMMISSION Washington D.C. 20549

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

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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 JUNE 1, 2002 AND ENDING MAY 31, 2003 MM/DD/YY MM/DD/YY

A. REGISTRANT INFORMATION

NAME OF BROKER-DEALER:

Mongerson & Company Securities Corporation

Official Use Only Firm ID No.

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

208 South LaSalle Street - Suite 706

Chicago Illinois 60604 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT: Mel Mongerson (312) 263-3100

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kupferberg, Goldberg & Neimark, LLC

225 North Michigan Avenue, 11th Floor Chicago Illinois 60601 (Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED AUG 12 2003

THOMSON FINANCIAL

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*Claims for exemption from the requirement that the annual report 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)

SEC 1410 (07-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Mel A. Mongerson, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Mongerson & Company Securities Corporation, as of May 31, 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:

None

Mel A. Mongerson
Signature

Title



Wade Z. Smith
Notary Public
7-30-03

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 or Creditors
- (g) Computation of Net Capital
- (h) Computation for Determination of reserve Requirements Pursuant to Rule 15c-3-3
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3
- (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 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
- (o) Independent Auditors' Report on Internal Control

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

INDEPENDENT AUDITORS' REPORT



Board of Directors
Mongerson & Company
Securities Corporation
Chicago, Illinois

Certified Public Accountants

Financial & Management Consultants

Kupferberg, Goldberg & Neimark, LLC

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Chicago, Illinois 60601-7601

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Member:

The KGN Financial Group

The Leading Edge Alliance

Kreston International

We have audited the accompanying statement of financial condition of Mongerson & Company Securities Corporation as of May 31, 2003, and the related statements of operations and accumulated deficit and cash flows for the year then ended. 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 Mongerson & Company Securities Corporation as of May 31, 2003, 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 computation of net capital and aggregate indebtedness included with this report is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KUPFERBERG, GOLDBERG & NEIMARK, LLC

July 3, 2003

MONGERSON & COMPANY SECURITIES CORPORATION

STATEMENT OF FINANCIAL CONDITION

MAY 31, 2003

ASSETS

Marketable securities	\$ 100,635
Receivable from clearing broker	46,865
Receivable from shareholder and other	7,601
Furniture and equipment at cost (less accumulated depreciation of \$72,171)	<u>46,057</u>
TOTAL ASSETS	<u>\$ 201,158</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities - Accounts payable and accrued expenses	<u>\$ 44,703</u>
Shareholders' Equity	
Common stock - no-par value; authorized, issued and outstanding 300,000 shares	59,667
Additional paid-in capital	166,400
Accumulated deficit	<u>(69,612)</u>
Total Shareholders' Equity	<u>156,455</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 201,158</u>

See notes to financial statements.