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SECURITIES AND EXCHANGE COMMISSION
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 52074

DIVISION OF MARKET REGULATION
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: Midwestern Securities Trading Company, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

235 Everett Street, Suite A

(No. and Street)

East Peoria

Illinois

61611

(City)

(State)

(Zip Code)

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

Michael Graham

(309) 699-6608

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RENNER, RICHARD L.

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

207 MAIN STREET, SUITE 430

PEORIA

ILLINOIS

61602

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

PROCESSED

JUN 12 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)

OATH OR AFFIRMATION

I, MICHAEL GRAHAM, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MIDWESTERN SECURITIES TRADING COMPANY, 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

Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss). EARNINGS AND RETAINED EARNINGS
(d) Statement of Changes in Financial Condition. CASH FLOWS
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital. MEMBERS' EQUITY
(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).

Midwestern Securities Trading Company, LLC

Financial Statements, Schedules and
Report of Independent
Certified Public Accountant

December 31, 2002

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RICHARD L. RENNER CERTIFIED PUBLIC ACCOUNTANT

207 MAIN STREET, SUITE 435
PEORIA, ILLINOIS 61602

OFFICE: (309) 673-7654 FAX: (309) 673-7651
HOME: (309) 692-9679

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
Midwestern Securities Trading Company, LLC

I have audited the accompanying statement of financial condition of Midwestern Securities Trading Company, LLC as of December 31, 2002, and the related statements of earnings and retained earnings, changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midwestern Securities Trading Company, LLC at December 31, 2002 and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements referred to above, taken as a whole. The following supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements, but they are supplementary information required by Rule 17a-5 of the Securities and Exchange Commission.

- ◆ Computation of Net Capital Under Rule 15c3-1
- ◆ Computation for Determination of Reserve Requirements Under Rule 15c3-3
- ◆ Information for Possession or Control Requirements Under Rule 15c3-3

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Richard L Renner
Certified Public Accountant

February 13, 2003

MIDWESTERN SECURITIES TRADING COMPANY, LLC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2002

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note 1)	\$ 44,095
Investments - at cost (Note 6)	59,968
Accounts receivable	<u>29,371</u>
 Total current assets	 \$ 133,434
 PROPERTY AND EQUIPMENT, at cost:	
Equipment	\$ 350
Less accumulated depreciation	<u>234</u>
 Net property and equipment	 116
 OTHER ASSETS:	
Start-up costs, net of amortization (Note 5)	<u>7,369</u>
 Total Assets	 \$ <u><u>140,919</u></u>
 LIABILITIES AND MEMBERS' EQUITY	
 CURRENT LIABILITIES:	
Commissions payable	\$ 29,244
 Total current liabilities	 \$ 29,244
 MEMBERS' EQUITY:	
Paid in capital	\$ 96,129
Retained earnings	<u>15,546</u>
 Total members' equity	 <u>111,675</u>
 Total Liabilities and Members' Equity	 \$ <u><u>140,919</u></u>

The accompanying notes are an integral part of this statement.

MIDWESTERN SECURITIES TRADING COMPANY, LLC.

STATEMENT OF EARNINGS AND RETAINED EARNINGS

For the year ended December 31, 2002

INCOME:

Securities commissions	\$	29,310	
Mutual funds / VA commissions		164,187	
MAPS commissions and fees		20,685	
Mutual funds / VA trails		93,838	
Listed stocks		50,177	
Money market trails		4,095	
Insurance		35,718	
Interest		1,327	
Miscellaneous income		7,261	
Total income			\$ 406,598

OPERATING EXPENSES:

Commissions	\$	307,068	
Advertising and promotion		2,422	
Clearing fees		32,050	
Consulting and professional services		7,428	
Depreciation and amortization		3,278	
Dues and subscriptions		10,316	
Insurance		8,566	
Licenses and permits		7,844	
Miscellaneous expenses		545	
Office supplies and postage		496	
Seminars and catering		5,664	
Service charges		146	
Travel and entertainment		1,161	
Total operating expenses			386,984

NET INCOME BEFORE INCOME TAXES	\$	19,614	
PROVISION FOR INCOME TAXES (Note 4)		0	
NET INCOME FOR THE YEAR	\$	19,614	
Members' dividends drawing		(9,000)	
RETAINED EARNINGS, Beginning of year		4,932	
RETAINED EARNINGS, End of year	\$	15,546	

The accompanying notes are an integral part of this statement.

MIDWESTERN SECURITIES TRADING COMPANY, LLC.
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the year ended December 31, 2002

Members' Equity, beginning of year	\$ 101,061
Net income for the year	19,614
Additions (including non-conforming capital of \$ - 0 -)	0
Deductions (including non-conforming capital of \$ - 0 -) Members' dividends drawing	(9,000)
	<hr/>
Members' Equity, end of year	<u>111,675</u>

The accompanying notes are an integral part of this statement.

MIDWESTERN SECURITIES TRADING COMPANY, LLC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received - commissions and other income	\$ 410,216	
Cash paid for services and fees	<u>(380,498)</u>	
Net cash provided by operating activities		\$ 29,718

CASH FLOWS FROM INVESTING ACTIVITIES

Investment purchased	\$ <u>(59,968)</u>	
Net cash used by investing activities		(59,968)

CASH FLOWS FROM FINANCING ACTIVITIES

Members' dividends drawing	\$ <u>(9,000)</u>	
Net cash used by financing activities		<u>(9,000)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ (39,250)

CASH AND CASH EQUIVALENTS, Beginning of year 83,345

CASH AND CASH EQUIVALENTS, End of year \$ 44,095

Reconciliation of net income to net cash provided by operating activities:

Net income for the year \$ 19,614

Adjustments to reconcile net income to net cash used by operating activities:

Depreciation and amortization 3,278

Decrease in accounts receivable 3,618

Increase in accounts and commissions payable 3,208

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 29,718

The accompanying notes are an integral part of this statement.

MIDWESTERN SECURITIES TRADING COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Midwestern Securities Trading Company was previously an independent contractor of other broker dealers. On January 1, 2000 the Company became an LLC and a registered broker/dealer.

The Company is on the accrual basis of accounting and has a December 31 year end. The LLC designation allows the treatment as a partnership for tax purposes and income taxes will be assessed at the partners' or members' level.

All highly liquid investments with a maturity of six months or less are considered to be cash equivalents.

NOTE 2 - NET CAPITAL

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may effectively restrict dividends of capital to owners.

Under the above rules, the Company's "aggregate indebtedness," as defined, cannot exceed 1500% of its "net capital," as defined. At December 31, 2002 aggregate indebtedness and net capital were \$29,244 and \$98,021 respectively, or 29.83 percent. The Company's net capital requirement was \$50,000 resulting in net capital in excess of requirements of \$48,021.

NOTE 3 - SUBORDINATED LIABILITIES

The Company had no subordinated liabilities outstanding at December 31, 2002 or at any time during the year then ended.

NOTE 4 - INCOME TAXES

The Company became an LLC on January 1, 2000, and is taxed as a partnership. The partners or "members" of the LLC will be taxed on the earnings at the individual level. No provision for income taxes is provided for in the financial statements.

NOTE 5 - START UP COSTS

Various organizational and legal costs were paid to start up the Company in 2000. These costs were capitalized and are being amortized over five years. Total costs were \$16,375 and amortization expense for the year totalled \$3,275. Accumulated amortization at December 31, 2002 totalled \$9,006.

NOTE 6 - INVESTMENTS

Investments at December 31, 2002 consist of the following:

Mutual funds - \$24,974	Certificates of deposits - \$34,994	Total \$59,968
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MIDWESTERN SECURITIES TRADING COMPANY, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
SUPPLEMENTARY INFORMATION
December 31, 2002

AGGREGATE INDEBTEDNESS	<u>\$ 29,244</u>
NET CAPITAL - Members' equity	\$ 111,675
Less: Non-allowable assets	- 10,604
Less: Non-allowed expenses	<u>- 3,050</u>
Total Net Capital	\$ 98,021
REQUIRED NET CAPITAL	<u>50,000</u>
EXCESS NET CAPITAL	\$ 48,021
PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	29.83%
RECONCILIATION WITH FOCUS REPORT	
Net capital as reported in the Company's most recent unaudited Focus Report - Part II	\$ 111,675
Audit adjustment	<u>none</u>
Net capital per above	<u>\$ 111,675</u>

See accompanying auditor's report.

MIDWESTERN SECURITIES TRADING COMPANY, LLC
COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS AND INFORMATION FOR POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3
SUPPLEMENTARY INFORMATION

December 31, 2002

The Company was exempt from Rule 15c3-3 because it does not carry security accounts for customers or perform custodial functions relating to customer securities.

See accompanying auditor's report.

RICHARD L. RENNER CERTIFIED PUBLIC ACCOUNTANT

207 MAIN STREET, SUITE 430
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OFFICE: (309) 673-7654 FAX: (309) 673-7651
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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

Board of Directors
Midwestern Securities Trading Company, LLC

In planning and performing my audit of the financial statements of Midwestern Securities Trading Company, LLC for the year ended December 31, 2002, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

As required by rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Midwestern Securities Trading Company, LLC that I considered relevant to the objectives stated in rule 17a-5. This included a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. I did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recording 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, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures referred to in the preceding paragraph 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 transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any 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 the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the effectiveness of the design and operation of policies and procedures may deteriorate.

INTERNAL CONTROL - Continued

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements 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 statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the accounting system and control procedures, including procedures for safeguarding securities, that I consider to be material weaknesses.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities and 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2002, to meet the Commission's objectives.

This report is intended solely for the information and use of the directors and stockholder, management, the Securities and Exchange Commission and the National Association of Securities Dealers, Inc.



Richard L. Renner
Certified Public Accountant

February 13, 2003

RICHARD L. RENNER CERTIFIED PUBLIC ACCOUNTANT

207 MAIN STREET, SUITE 430
PEORIA, ILLINOIS 61602

OFFICE: (309) 673-7654 FAX: (309) 673-7651
HOME: (309) 692-9679

Board of Directors
Midwestern Securities Trading Company, LLC
235 Everett Street
East Peoria, IL 61611

February 13, 2003

Gentlemen:

Professional standards require that I advise you of matters concerning my recent concluded audit.

My Responsibility Under Generally Accepted Auditing Standards

My responsibility, as prescribed by professional standards, is to plan and perform this audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My audit does not provide absolute assurance or guarantee the accuracy of the financial statements and is subject to the inherent risk that errors, irregularities (or illegal acts), if they exist, have not been detected. As part of my audit, I considered the Company's internal control structure. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control structure.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statement that, in my judgment, may not have been detected except through my auditing procedures. These adjustments may include those proposed by me but not recorded by the Company that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statement.

During my audit, I did not note any significant audit adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter which could be significant to the Company's financial statements or the auditor's report.

I am pleased to report that no such disagreements arose during the course of my audit.

Consultation with Other Accountants

Management has informed me that they have not consulted with other accountants during the year about auditing and accounting matters.

Difficulties Encountered in Performing the Audit

My audit was completed well within the deadline for completion and I had no difficulties in performing the audit.

Management Consulting Fees

During the year ended December 31, 2002, I did not perform any management consulting services for the Company.

This letter is solely for the internal use of the Board of Directors and management of Midwestern Securities Trading Company, LLC and should not be used for any other purpose.

If you have any questions or need further information concerning these matters, please call my office.

Sincerely



Richard L. Renner
Certified Public Accountant