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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

VF-9-4-03

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

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8-48908         |

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 07/01/2002 AND ENDING 06/30/2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Becker & Suffern, LTD

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

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

1245 West Causeway

(No. and Street)

Mandeville, LA 70471

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Patrick W. Suffern (985)674-9120

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Kushner Lagraize, LLP

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

2800 Veterans Blvd. Suite 254 Metairie, LA 70002

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
**SEP 10 2003**

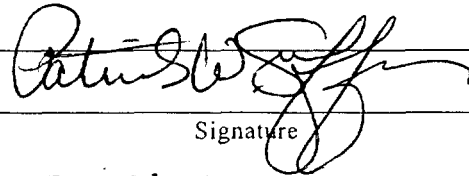
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| <b>FOR OFFICIAL USE ONLY</b> |
| THOMSON FINANCIAL            |

\*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)

1009


OATH OR AFFIRMATION

I, Patrick W. Suffern, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Becker & Suffern, LTD, as of June 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

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 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).

**BECKER & SUFFERN, LTD.**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

*For the Year Ended June 30, 2003*



**BECKER & SUFFERN, LTD.**  
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*June 30, 2003*

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**INTERNAL CONTROL REPORT**

Independent Auditors' Report on  
Internal Control Required by SEC Rule 17a-5

# *Kushner LaGraize, L.L.C.*

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CrFA\*  
WILSON A. LaGRAIZE, JR., CPA, CrFA  
ERNEST G. GELPI, CPA  
CRAIG M. FABACHER, CPA  
DOUGLAS W. FINEGAN, CPA, CVA  
MARY ANNE GARCIA, CPA  
\*A Professional Accounting Corporation

Members  
American Institute of CPAs  
Society of Louisiana CPAs  
SEC Practice Section of The  
AICPA Division For CPA Firms

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Becker & Suffern, Ltd.

We have audited the accompanying statement of financial condition of Becker & Suffern, Ltd., as of June 30, 2003, and the related statements of income, changes in stockholders' equity, cash flows, and changes in liabilities subordinated to claims of general creditors for the year ended June 30, 2003 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 Becker & Suffern, Ltd., as of June 30, 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental 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 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.

*Kushner LaGraize, LLC*

Metairie, Louisiana  
August 12, 2003

**BECKER & SUFFERN, LTD.**  
STATEMENT OF FINANCIAL CONDITION  
June 30, 2003

ASSETS

|   |                  |
|---|------------------|
| Cash  | \$ 902           |
| Commissions receivable  | 11,097           |
| Deposits with clearing organization   | 25,000           |
| Secured demand notes collateralized by<br>cash/marketable securities (see Note 3) | <u>45,000</u>    |
|   | <u>\$ 81,999</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

|                        |            |
|------------------------|------------|
| Profit-sharing payable | \$ 4,000   |
| Taxes payable          | <u>750</u> |
|                        | 4,750      |

COMMITMENT

|   |        |
|---|--------|
| LIABILITIES SUBORDINATED TO CLAIMS<br>OF GENERAL CREDITORS (see Note 3) | 45,000 |
|---|--------|

STOCKHOLDERS' EQUITY

|  |                  |
|--|------------------|
| Common stock, no par value, 10,000 shares<br>authorized, 100 shares issued and outstanding | 25,000           |
| Retained earnings  | <u>7,249</u>     |
|  | <u>32,249</u>    |
|  | <u>\$ 81,999</u> |

**BECKER & SUFFERN, LTD.**

STATEMENT OF INCOME

For the Year Ended June 30, 2003

|                                  |                  |
|----------------------------------|------------------|
| COMMISSION AND FEE INCOME        | \$ 1,855,611     |
| EXPENSES                         |                  |
| Salaries and benefits            | 721,343          |
| Management fees                  | 1,013,900        |
| Dues and subscriptions           | 14,478           |
| Insurance                        | 2,264            |
| Other                            | 3,033            |
| Overpayment and corrections      | 703              |
| Payroll taxes and licenses       | 32,863           |
| Professional services            | 10,117           |
| Profit-sharing plan contribution | 4,000            |
| Promotions                       | 950              |
| Rent                             | <u>48,000</u>    |
|                                  | <u>1,851,651</u> |
| INCOME BEFORE INCOME TAX EXPENSE | 3,960            |
| INCOME TAX EXPENSE               | <u>944</u>       |
| NET INCOME                       | <u>\$ 3,016</u>  |

**BECKER & SUFFERN, LTD.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
*For the Year Ended June 30, 2003*

|                          | <u>Common<br/>Stock</u> | <u>Retained<br/>Earnings</u> | <u>Total</u>     |
|--------------------------|-------------------------|------------------------------|------------------|
| Balance at June 30, 2002 | \$ 25,000               | \$ 6,133                     | \$ 31,133        |
| Net income               | 0                       | 3,016                        | 3,016            |
| Dividends paid           | <u>0</u>                | <u>(1,900)</u>               | <u>(1,900)</u>   |
| Balance at June 30, 2003 | <u>\$ 25,000</u>        | <u>\$ 7,249</u>              | <u>\$ 32,249</u> |



**BECKER & SUFFERN, LTD.**  
*STATEMENT OF CASH FLOWS*  
*For the Year Ended June 30, 2003*

|   |                |
|---|----------------|
| CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES   |                |
| Net income  | \$ 3,016       |
| Adjustments to reconcile net income<br>to net cash provided by (used in) operating activities |                |
| Increase in operating assets  |                |
| Commissions receivable  | (7,460)        |
| Decrease in operating liabilities   |                |
| Profit-sharing payable  | (13,100)       |
| Taxes payable   | <u>(50)</u>    |
| NET CASH USED IN OPERATING ACTIVITIES   | (17,594)       |
| CASH FLOWS USED IN FINANCING ACTIVITIES   |                |
| Dividends paid  | <u>(1,900)</u> |
| NET CASH USED IN FINANCING ACTIVITIES   | <u>(1,900)</u> |
| NET DECREASE IN CASH  | (19,494)       |
| CASH, BEGINNING OF YEAR   | <u>20,396</u>  |
| CASH, END OF YEAR   | <u>\$ 902</u>  |

*SUPPLEMENTAL DISCLOSURES*

- There were no cash payments for interest expense during the year ended June 30, 2003.
- Cash payments for income taxes during the year ended June 30, 2003, were \$994.

**BECKER & SUFFERN, LTD.**  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
*For the Year Ended June 30, 2003*

|  |                  |
|--|------------------|
| Subordinated liabilities<br>at June 30, 2002 | \$ 45,000        |
| Change during the year                       | <u>0</u>         |
| Subordinated liabilities<br>at June 30, 2003 | <u>\$ 45,000</u> |

**BECKER & SUFFERN, LTD.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Becker & Suffern, Ltd. (the Company), is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity.

***Nature of Operations***

The Company was incorporated as a broker and dealer in securities on October 12, 1995, primarily serving customers in Southeastern Louisiana. The Company operates as a nonclearing broker and, as such, has an agreement with a third-party broker/dealer to act as the Company's clearing broker to carry and clear its customers' margin and cash accounts and transactions on a fully-disclosed basis.

***Use of Estimates***

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management 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.

***Income Taxes***

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. There were no deferred tax assets or liabilities on June 30, 2003.

For the period ended June 30, 2003, the Company recorded income tax expense of \$944. The actual expense differs from the amount computed by applying the combined federal and state statutory income tax rates to income before income tax expense. These differences are primarily due to certain nondeductible expenses.

**BECKER & SUFFERN, LTD.**  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Commission Income and Expenses***

Commission income and expenses from several types of securities transactions executed on behalf of customers are recorded on a settlement date basis, generally within three business days following the transaction date.

***Statement of Cash Flows***

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be "cash equivalents". There were no cash equivalents at June 30, 2003.

NOTE 2 - DEPOSITS WITH CLEARING ORGANIZATION

A security deposit in the amount of \$25,000 is required by the Company's third-party broker/dealer, which acts as its clearing broker. This deposit is recorded at cost.

NOTE 3 - LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

Two \$22,500 subordinated notes payable at June 30, 2003, are outstanding pursuant to secured demand note collateral agreements for equity capital originally dated January 17, 1996. The subordinated liability is noninterest-bearing, is payable to stockholders of the Company and matures June 30, 2005. The secured demand notes are collateralized by marketable equity securities with a market value of approximately \$75,653 at June 30, 2003.

The secured demand note collateral agreements for equity capital have been approved by the National Association of Securities Dealers and are available in computing net capital under the Securities and Exchange Commission's Uniform Net Capital Rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

**BECKER & SUFFERN, LTD.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*June 30, 2003*

**NOTE 4 - NET CAPITAL REQUIREMENTS**

The Company is a registered broker and dealer in securities and is subject to the Securities & Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1). Under the Uniform Net Capital Rule a broker and dealer who does not carry customers' accounts is required to maintain net capital, as defined in the Uniform Net Capital Rule, of \$50,000 or 6.67 percent of aggregate indebtedness, as defined, whichever is greater. The Uniform Net Capital Rule precludes the withdrawal of equity capital if the ratio of aggregate indebtedness to net capital exceeds 10 to 1. At June 30, 2003, the net minimum capital requirement was \$50,000 which the Company exceeded by \$27,249. The ratio of aggregate indebtedness to net capital was 0.06 to 1.0 at June 30, 2003.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2003, \$1,013,900 was paid to a company affiliated with Becker & Suffern, Ltd., through common ownership for management fees and reimbursement of operating costs.

During the year ended June 30, 2003, rent in the amount of \$48,000 was paid to a limited liability company controlled by two of the stockholders for the rental of equipment and office space. Future minimum lease payments under the terms of the lease agreement are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|--------------------|---------------|
| June 30, 2004      | \$48,000      |

**NOTE 6 - PROFIT-SHARING PLAN**

The Company maintains a defined contribution 401(k) profit-sharing plan covering substantially all full-time employees at least 21 years of age. Contributions to the plan are made based on participants' compensation at the discretion of the Company. The plan also provides for discretionary company matching of employees' salary deferral up to 6 percent of employee compensation per year. The Company's contributions to the profit-sharing plan for the year ended June 30, 2003, totaled \$4,000.

**BECKER & SUFFERN, LTD.**  
*NOTES TO FINANCIAL STATEMENTS - CONTINUED*  
*June 30, 2003*

**NOTE 7 - OFF-BALANCE SHEET RISK**

At June 30, 2003, the Company had bank balances of \$134,516. Of the bank balances at June 30, 2003, \$125,040 was covered by federal depository and SIPC insurance and \$9,476 was uninsured and uncollateralized.

**SUPPLEMENTAL INFORMATION**

**BECKER & SUFFERN, LTD.**  
SCHEDULE I  
COMPUTATIONS OF NET CAPITAL, AGGREGATE INDEBTEDNESS  
AND RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL  
UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION  
For the Year Ended June 30, 2003

|  |                    |
|--|--------------------|
| Stockholders' equity   | \$ 32,249          |
| Add liabilities subordinated to claims of<br>general creditors allowable in computation of net capital | <u>45,000</u>      |
| Net capital  | 77,249             |
| Net capital requirement<br>(greater of \$50,000 or 6.67 percent of aggregate indebtedness)             | <u>50,000</u>      |
| Net capital in excess of requirement   | <u>\$ 27,249</u>   |
| Aggregate indebtedness   | <u>\$ 4,750</u>    |
| Ratio of aggregate indebtedness to net capital   | <u>0.06 to 1.0</u> |

There is no material difference between the computation of net capital, the basic net capital requirement and aggregate indebtedness as presented herein and as reported by the Company in Part II of Form X-17A-5 as of June 30, 2003.



**BECKER & SUFFERN, LTD.**

*SCHEDULE 2*

*COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
PURSUANT TO RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
For the Year Ended June 30, 2003*

The Company is exempt from the reserve requirements and the related computations for the determination thereof under paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions with customers through unaffiliated clearing organizations on a fully-disclosed basis.

During the year ended June 30, 2003, the Company has maintained compliance with the conditions for exemption specified in paragraph (k)(2)(i) of Rule 15c3-3.

**BECKER & SUFFERN, LTD.**  
SCHEDULE 3  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
For the Year Ended June 30, 2003

Information for possession or control requirements:

|   | <u>Market<br/>Value</u> | <u>Number<br/>of<br/>Items</u> |
|---|-------------------------|--------------------------------|
| Customers' fully-paid securities and excess margin securities not in the Company's possession or control as of June 30, 2003 (for which instructions to reduce to possession or control had been issued as of June 30, 2003), but for which the required action was not taken within the time frames specified under Rule 15c3-3. | None                    | None                           |
| Customers' fully-paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of June 30, 2003, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.                                       | None                    | None                           |

# *Kushner LaGraize, L.L.C.*

**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

S. DAVID KUSHNER, CPA, CrFA\*  
WILSON A. LaGRAIZE, JR., CPA, CrFA  
ERNEST G. GELPI, CPA  
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MARY ANNE GARCIA, CPA  
*\*A Professional Accounting Corporation*

Members  
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SEC Practice Section of The  
AICPA Division For CPA Firms

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

To The Board of Directors of  
Becker & Suffern, Ltd.

In planning and performing our audit of the financial statements and supplemental schedules of Becker & Suffern, Ltd. (the Company), for the year ended June 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 financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities & Exchange Commission (SEC), we have 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 exemptive provisions of 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 making quarterly securities examinations, counts, verifications and comparisons, and recordation of differences required by Rule 17a-13 or 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.

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 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 accordance with U.S.

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 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 June 30, 2003, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the Board of Directors, the SEC, the New York Stock Exchange, 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.



Metairie, Louisiana  
August 12, 2003