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

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7/14/03

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

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Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

JUL 09 2003

REPORT FOR THE PERIOD BEGINNING April 1, 2002 AND ENDING March 31, 2003  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Interlink Securities Corp  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
20750 Ventura Blvd, Ste 300  
(No. and Street)  
Woodland Hills, CA 91364  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Barry L. Wolfe President 818-992-6700  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Blankstein & Company An Accountancy Corporation  
(Name - if individual, state last, first, middle name)

5850 Canoga Avenue, Ste. 220 Woodland Hills, CA 91367  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

JUL 16 2003

THOMSON FINANCIAL

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\*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)

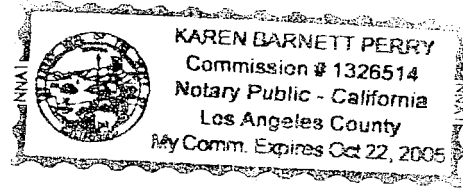
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OATH OR AFFIRMATION

I, Barry L. Wolfe, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Interlink Securities Corp, as of March 31, 20 03, 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]
Notary Public

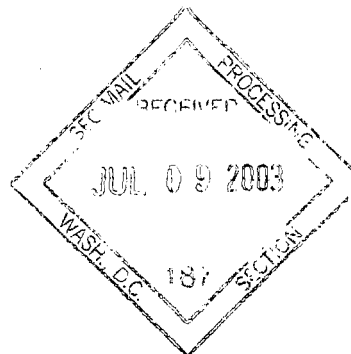
[Signature]
Signature
President
Title



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.
(o) Independent Auditors Report on Internal Accounting Control

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



**INTERLINK SECURITIES CORP.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2003 AND 2002**

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# BLANKSTEIN & COMPANY

AN ACCOUNTANCY CORPORATION

DAVID S. BLANKSTEIN, C.P.A. ◦ SHERRY Y. CHEN, C.P.A.

KRISTINA R. TOPOLCSIK, C.P.A.

5850 CANOGA AVENUE, SUITE 220, WOODLAND HILLS, CA 91367

818-348-2000 ◦ FAX: 818-348-2875

## INDEPENDENT AUDITORS REPORT

Board of Directors  
Interlink Securities Corp.  
Woodland Hills, CA 91367

We have audited the accompanying balance sheet of Interlink Securities Corp. (a California corporation), as of March 31, 2003 and 2002, and the related statements of income, changes in stockholder's equity, and cash flows for the years 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 U.S. generally accepted auditing standards. 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 Interlink Securities Corp., as of March 31, 2003 and 2002, and the results of its operations and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III 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.

Blankstein & Company  
An Accountancy Corporation  
Woodland Hills, California

May 10, 2003

**INTERLINK SECURITIES CORP.**

**STATEMENTS OF FINANCIAL CONDITION**

**MARCH 31, 2003 AND 2002**

**ASSETS**

<b>CURRENT ASSETS</b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Cash in bank	\$ 267,795	\$ 1,814,379
Commissions receivable	476,884	625,562
Deposits and other assets	63,575	29,416
Intercompany receivable (Note 2)	208,837	-
Deferred tax (Note 3)	<u>-</u>	<u>53,500</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,017,091</u></b>	<b><u>\$ 2,522,857</u></b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**CURRENT LIABILITES**

Accounts payable	\$ 5,436	\$ 3,930
Commissions payable	203,900	1,121,771
Intercompany payable (Note 2)	-	985,763
Deferred tax liability (Note 3)	<u>2,000</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>211,336</u></b>	<b><u>2,111,464</u></b>

**COMMITMENTS AND CONTINGENT LIABILITIES (Notes 2 & 4)**

**STOCKHOLDER'S EQUITY**

Common stock, \$10 par value, 1000 shares authorized, 500 shares issued and outstanding	5,000	5,000
Paid in capital	20,085	20,085
Retained earnings	<u>780,670</u>	<u>386,308</u>
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b><u>805,755</u></b>	<b><u>411,393</u></b>
<b>TOTAL LIABILITES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 1,017,091</u></b>	<b><u>\$ 2,522,857</u></b>

The accompanying notes are an integral part of these financial statements.

**INTERLINK SECURITIES CORP.**

**STATEMENTS OF INCOME**

**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
<b><u>REVENUE:</u></b>		
Commissions	\$ 6,949,524	\$ 12,081,522
Other	188,139	70,403
Interest income	<u>5,617</u>	<u>17,633</u>
	<u>7,143,280</u>	<u>12,169,558</u>
<b><u>EXPENSES:</u></b>		
Assesments & fees	51,312	69,716
Commissions	2,903,919	5,793,328
Dues & subscriptions	6,279	3,833
Education	14,041	20,440
Insurance	8,578	3,389
Intercompany overhead allocation (Note 2)	2,400,000	2,300,000
Legal & professional	101,975	100,085
Licenses & permits	9,217	10,567
Office & other expenses	6,302	4,883
Outside services & consultants	983	2,858
Seminars & conferences	31,455	6,752
Travel & entertainment	<u>9,357</u>	<u>10,165</u>
Total expenses	<u>5,543,418</u>	<u>8,326,016</u>
Net operating income before income taxes	1,599,862	3,843,542
Provision for income taxes (Note 3)	<u>705,500</u>	<u>1,543,000</u>
NET INCOME	<u>\$ 894,362</u>	<u>\$ 2,300,542</u>

The accompanying notes are an integral part of these financial statements.

INTERLINK SECURITIES CORP.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED MARCH 31, 2003 AND 2002

	<u>CAPITAL STOCK</u>	<u>ADDITIONAL PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
BALANCES AT MARCH 31, 2001	\$ 5,000	\$ 20,085	\$ 185,766	\$ 210,851
NET INCOME	-	-	2,300,542	2,300,542
DIVIDEND DISTRIBUTION	<u>-</u>	<u>-</u>	<u>(2,100,000)</u>	<u>(2,100,000)</u>
BALANCES AT MARCH 31, 2002	5,000	20,085	386,308	411,393
NET INCOME	-	-	894,362	894,362
DIVIDEND DISTRIBUTION (NOTE 2)	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
BALANCES AT MARCH 31, 2003	<u>\$ 5,000</u>	<u>\$ 20,085</u>	<u>\$ 780,670</u>	<u>\$ 805,755</u>

The accompanying notes are an integral part of these financial statements.



**INTERLINK SECURITIES CORP.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 894,362	\$ 2,300,542
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred taxes	55,500	(47,000)
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Commissions receivable	148,677	(129,662)
Other assets	(34,159)	-
Increase (decrease) in liabilities:		
Accounts payable	1,506	(15,421)
Intercompany payable	(1,194,600)	659,295
Commissions payable	<u>(917,870)</u>	<u>500,487</u>
Net cash provided by (used in) operating activities	<u>(1,046,584)</u>	<u>3,268,241</u>
<b>Cash flows from financing activities:</b>		
Dividends paid to parent company	<u>(500,000)</u>	<u>(2,100,000)</u>
Net cash provided (used) by financing activities	<u>(500,000)</u>	<u>(2,100,000)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,546,584)</b>	<b>1,168,241</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>1,814,379</u></b>	<b><u>646,138</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 267,795</u></b>	<b><u>\$ 1,814,379</u></b>
Supplemental disclosure of Cash Flow information:		
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

INTERLINK SECURITIES CORP.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003 AND 2002

Note 1 - Significant Accounting Policies:

Organization

Interlink Securities Corp. formerly known as Centrestone Financial Securities Corp. (the Company) was incorporated in California on June 1, 1992. The Company is a registered broker - dealer pursuant to section 15(b) of the Securities Act of 1934. The Company operates as a limited broker - dealer servicing the life insurance and annuity needs of other full services broker dealers.

Basis of Accounting

The Company uses the accrual method of accounting for financial statement purposes.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and investments that have a maturity of less than three months.

Commissions Receivable

The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Revenue Recognition

The Company recognizes commission income on the wholesaling of variable life and variable annuities products when the insurance company who places the insurance policy receives their premium payment.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was \$0 for the years ended March 31, 2003 and 2002, respectively.

Comprehensive income

The Company accounts for comprehensive income in accordance with SFAS No. 130 "Reporting Comprehensive Income", which requires comprehensive income and its components to be reported when a company has items of comprehensive income. Comprehensive income includes net income plus other comprehensive income (i.e., certain revenues, expenses, gains and losses reported as separate components of stockholders' equity rather than in net income).

Estimates

The preparation of financial statements in conformity with 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INTERLINK SECURITIES CORP.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003 AND 2002

Note 1 - Significant Accounting Policies (continued):

Income Taxes

Effective April 1, 1995 with the merger of the Company with its parent, Centrelink Insurance and Financial Services, the Company is included in the parent's consolidated federal and combined state income tax returns. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Deferred income taxes result primarily from state income taxes.

Note 2 - Intercompany Payable and Related Party Transactions

The Company's parent, Centerlink Insurance and Financial Services advances money for the Company's salaries and bonuses, rent, telephone and general overhead expenses. During the years ended March 31, 2003 and 2002, the Company paid approximately \$2,400,000 and \$2,300,000 respectively, for these overhead expenses. The Company also paid an intercompany dividend to its parent company of \$500,000 and \$2,100,000 for the years ended March 31, 2003 and 2002, respectively. In addition, the Company had net transactions with its parent amounting to \$1,194,600 and \$659,295 for the years ended March 31, 2003 and 2002, respectively, which includes the allocation of the consolidated income tax provision for the years ended March 31, 2003 and 2002.

Note 3 - Income Taxes

Income tax expense (benefit) for the years ended March 31, consisted of the following:

	<u>2003</u>	<u>2002</u>
Current:		
Federal	\$ 500,000	\$ 1,250,000
State	<u>150,000</u>	<u>340,000</u>
Total current	<u>650,000</u>	<u>1,590,000</u>
Deferred:		
Federal	55,500	(47,000)
State	<u>-</u>	<u>-</u>
Total deferred	<u>55,500</u>	<u>(47,000)</u>
Total	<u>\$ 705,500</u>	<u>\$ 1,543,000</u>

**INTERLINK SECURITIES CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2003 AND 2002**

**Note 3 - Income Taxes (continued)**

The components of deferred tax liabilities (assets) follow:

	<b><u>2003</u></b>	<b><u>2002</u></b>
Deferred tax assets		
State tax (current)	2,000	(53,271)
State tax (deferred)	<u>-</u>	<u>-</u>
Total gross deferred tax assets	<u>2,000</u>	<u>(53,271)</u>
Valuation allowance	<u>-</u>	<u>(229)</u>
Net deferred tax liability (asset)	<u>\$ 2,000</u>	<u>\$ (53,500)</u>

The Company files a consolidated income tax return with its parent. For the years ended March 31, 2003 and 2002, the Company recorded its share of the consolidated income tax expense on a separate return basis. The Company's current tax expense of \$705,500 and \$1,590,000 for the years ended March 31, 2003 and 2002 was recorded as "Intercompany Payable" on the Company's balance sheet

**Note 4 - Concentration of Credit Risk**

The Company maintains their cash in bank deposit accounts in a high credit quality financial institution. The balances, at times, may exceed federally insured limits. At March 31, 2003 and March 31, 2002 the Company exceeded the insured limit by approximately \$730,699 and \$2,081,554, respectively.

**Note 5 - Net Capital Requirements**

The Company is subject to the uniform net capital rule (SEC Rule 15c3-1) of the Securities and Exchange Commission, which requires both the maintenance of minimum net capital and the maintenance of maximum ratio of aggregate indebtedness to net capital. At March 31, 2003 and 2002, the Company had net capital of \$533,343 and \$328,477, which was \$519,254 and \$187,713 in excess of its required net capital of \$14,089 and \$140,764, respectively. The Company's ratio of aggregate indebtedness to net capital was 0.4 and 6.43, respectively, which is less than the 15 to 1 maximum ratio for a broker dealer.

INTERLINK SECURITIES CORP.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

MARCH 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
NET CAPITAL		
Total stockholder's equity	\$ 805,755	\$ 411,393
Deduct stockholder's equity not allowable for net capital	-	-
Total stockholder's equity qualified for net capital	805,755	411,393
Add:		
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-	-
B. Other (deductions) or allowable credits	-	-
TOTAL CAPITAL	805,755	411,393
Deductions and/or charges		
A. Non-allowable assets:		
Securities not readily marketable	-	-
Exchange memberships	-	-
Furniture, equipment, and leasehold improvements	-	-
Other assets	(63,575)	(82,916)
B. Intercompany receivable	(208,837)	-
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	<u>533,343</u>	<u>328,477</u>
Haircut on Securities (computed, where applicable, pursuant to rule (15c3-1(f)))	-	-
NET CAPITAL	<u>\$ 533,343</u>	<u>\$ 328,477</u>
AGGREGATE INDEBTEDNESS		
Items included in statement of financial condition:		
Accounts payable	\$ 5,436	\$ 3,930
Intercompany and income taxes payable	2,000	985,763
Commissions payable	203,900	1,121,771
TOTAL AGGREGATE INDEBTEDNESS	<u>\$ 211,336</u>	<u>\$2,111,464</u>

The accompanying notes are an integral part of these financial statements.

INTERLINK SECURITIES CORP.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

SCHEDULE I  
(continued)

MARCH 31, 2003 AND 2002

<u>SCHEDULE I (continued)</u>	<u>2003</u>	<u>2002</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
A. Minimum net capital required:(based on aggregate Indebtedness) per regulation section 240.15c3-1(a)(1)(i)	\$ 14,089	\$ 140,764
B. Minimum dollar requirement	\$ 5,000	\$ 5,000
Net capital requirement (greater of A or B)	<u>\$ 14,089</u>	<u>\$ 140,764</u>
Excess capital	<u>\$ 519,254</u>	<u>\$ 187,713</u>
Ratio of aggregate indebtedness to net capital	<u>0.4</u>	<u>6.43</u>

RECONCILIATION WITH COMPANY'S COMPUTATION  
(included in part II of Form X-17 A-5 as of  
March 31, 2003 and 2002)

Net Capital as reported in Company's Part II (unaudited):

FOCUS REPORT	\$ 535,341	\$1,456,056
NET AUDIT ADJUSTMENTS	<u>(1,998)</u>	<u>(1,127,579)</u>
NET CAPITAL PER ABOVE	<u>\$ 533,343</u>	<u>\$ 328,477</u>

INTERLINK SECURITIES CORP.

SCHEDULE II

COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION

MARCH 31, 2003 AND 2002

Under SEC Rule 15c3-3 (k)(2)(i), Interlink Securities Corp. is claiming exemption from these reserve requirements since at no time were customer funds and/or securities held during the year.

The accompanying notes are an integral part of these financial statements.

INTERLINK SECURITIES CORP.

SCHEDULE III

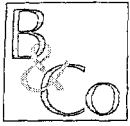
INFORMATION RELATING TO POSSESSION OR  
CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION

MARCH 31, 2003 AND 2002

Under SEC Rule 15c3-3 (k)(2)(i), Interlink Securities Corp. is claiming exemption from these requirements since at no time were customer funds and/or securities held during the year.

The accompanying notes are an integral part of these financial statements.





# BLANKSTEIN & COMPANY

AN ACCOUNTANCY CORPORATION

DAVID S. BLANKSTEIN, C.P.A. ◦ SHERRY Y. CHEN, C.P.A.

KRISTINA R. TOPOLCSIK, C.P.A.

5850 CANOGA AVENUE, SUITE 220, WOODLAND HILLS, CA 91367

818-348-2000 ◦ FAX: 818-348-2875

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

Board of Directors  
Interlink Securities Corp.

In planning and performing our audit of the financial statements of Interlink Securities Corp. for the years ended March 31, 2003 and 2002, we considered its internal control structure, including procedures 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 the internal control structure.

Also, as required by rule 17a-5 (g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Interlink Securities Corp., that we considered relevant to the objectives stated in rule 17a-5 (g). We also made 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 (a) (11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. The broker dealer was in compliance with the conditions of exemption under rule 15c3-3 (k) (2) (i) and that no facts came to our attention indicating that such conditions had not been complied with during the year. We did not review practices and procedures followed by the company in making the quarterly securities examinations, counts, verification and comparisons, and the recordation of difference required by the rule 17a-13 or in complying with the requirements for prompt payment for securities 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 function 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 expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit 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 of the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control 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 the 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 the internal control structure, including procedures 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 Commission 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 March 31, 2003 and 2002 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers and other regulatory agencies which rely on Rule 17a-5 (g) under the Securities Exchange Act of 1934 and should not be used for any other purposes.



Blankstein & Company  
An Accountancy Corporation  
Woodland Hills, CA 91367

May 10, 2003