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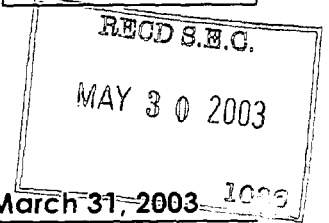
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 50814

FACING PAGE

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



REPORT FOR THE PERIOD BEGINNING

April 1, 2002
MM/DD/YY

AND ENDING

March 31, 2003
MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

AMERICAN INTERNATIONAL SECURITIES, INC.

OFFICIAL USE ONLY
44803
FIRM ID. NO.

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

42 BROADWAY, 11TH FLOOR

(No. and Street)

NEW YORK

(City)

NEW YORK

(State)

10004

(Zip Code)

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

DAVID PARSONS

(917) 320-4802

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Bernstein Pinchuk & Kaminsky LLP

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

7 Penn Plaza Suite 830 New York, NY 10001

(Address)

(City)

CHECK ONE:

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

PROCESSED
T JUN 06 2003
THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirements 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 OF AFFIRMATION

I, David W. Parson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AMERICAN INTERNATIONAL SECURITIES, INC. as of March 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:

David W. Parson
 Signature
Acting President
 Title

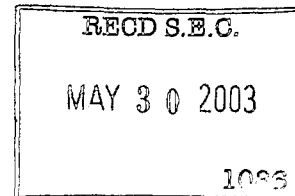
h v v
 Notary Public

SHOSHANA R. KALMAN
 Notary Public, State of NY
 No 01KA50055B
 Qualified in Queens County
 Commission Exp Dec 14, 2006

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 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 a 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).



AMERICAN INTERNATIONAL SECURITIES, INC.

**FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT**

MARCH 31, 2003

**AMERICAN INTERNATIONAL SECURITIES, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholder
American International Securities, Inc.
New York, New York

**BERNSTEIN PINCHUK
& KAMINSKY LLP**

Certified Public
Accountants

Seven Penn Plaza
New York, NY 10001

Tel 212 279-7900
Tel 516 897-7979
Fax 212 279-7901
BPKCPAS@aol.com

We have audited the accompanying statement of financial condition of American International Securities, Inc. as of March 31, 2003 and the related statements of operations, stockholders' equity 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 an 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 American International Securities, Inc. as of March 31, 2003, and the results of its operations and 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 expressing an opinion on the basic financial statements taken as a whole. The information contained on pages 8 through 10, inclusive, is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rules 15c3-1, 15c3-3 and 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.



New York, New York
May 15, 2003

AMERICAN INTERNATIONAL SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
MARCH 31, 2003

ASSETS

Current Assets

Cash-money market funds (Note 2)	191
Cash equivalents-Treasury bills at market value (Notes 1 and 2)	6,989
Trading marketable equity securities	60,000
Loan receivable-parent company	44,302
Prepaid expenses	-
Total current assets	\$ 111,482

Property and equipment, at cost

Furniture and equipment	43,407
Accumulated depreciation	(43,407)
	-
	\$ 111,482

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities

Accounts payable	\$ 600
Accrued corporation taxes	575
Cash overdraft	17
Total current liabilities	1,192

Commitment (Note 4)

Stockholder's equity

Common stock, \$0.01 par value:3000 shares authorized,100 shares issued and outstanding	1
Additional paid in capital	1,134,864
Accumulated deficit	(1,024,575)
Total stockholder's equity	110,290
	\$ 111,482

See the accompanying notes to the financial statements.

AMERICAN INTERNATIONAL SECURITIES, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2003

Revenues	
Interest income	\$ 629
Total revenues	<u>629</u>
Expenses	
Rent (Note 4)	-
Administrative charge from parent company	12,000
Depreciation and amortization	17,362
Fees and licenses	6,432
Office expenses	425
Firm trading loss on equity securities	12,000
Minimum corporation taxes (Note 2)	1,168
Total expenses	<u>49,387</u>
Net loss	(48,758)
Accumulated deficit at beginning of period	(975,817)
Accumulated deficit at end of period	<u>\$ (1,024,575)</u>

See the accompanying notes to the financial statements.

**AMERICAN INTERNATIONAL SECURITIES, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2003**

Common stock		
Common stock-3000 shares, no par-100 shares issued and outstanding;		
Balance-April 1, 2002 and March 31, 2003		<u>\$ 1</u>
Additional paid in capital		
Balance-April 1, 2002		\$ 1,196,864
Additional capital returned to stockholder		<u>(62,000)</u>
		<u>1,134,864</u>
Accumulated deficit		
Balance-April 1, 2002		\$ (975,817)
Net loss-Year ended March 31, 2003		<u>(48,758)</u>
Balance-March 31, 2003		<u>(1,024,575)</u>
Total Stockholder's equity -March 31, 2003		<u>\$ 110,290</u>

See the accompanying notes to the financial statements.

AMERICAN INTERNATIONAL SECURITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2003

Cash flows from operating activities	
Net loss	\$ (48,758)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	17,363
Collection of receivable from clearing broker	-
Increase (decrease) in accounts payable	350
Decrease in marketable equity securities	(60,000)
(Increase) decrease in prepaid expenses	158
Increase (decrease) in cash overdraft	17
Increase (decrease) in income taxes payable	575
Total adjustments	<u>(41,537)</u>
Net cash provided (used) by operating activities	<u>(90,295)</u>
Cash flow from investing activities:	
Purchase of furniture	-
Repayment of advances from affiliates	-
Increase in trading marketable securities	-
Advance to parent company	<u>(44,302)</u>
Net cash provided (used) by investing activities	<u>(44,302)</u>
Cash flow from financing activities:	
Advances from parent company	-
Additional capital contributions	-
Additional capital returned to stockholder	<u>(62,000)</u>
Net cash provided (used) by financing activities	<u>(62,000)</u>
Net increase (decrease) in cash and equivalents	(196,597)
Cash and equivalents, beginning of period	203,777
Cash and equivalents, end of period	<u>\$ 7,180</u>

There were no payments for interest. \$593 was paid for income taxes.

See the accompanying notes to the financial statements.

AMERICAN INTERNATIONAL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2003

NOTE 1. ORGANIZATION

American International Securities, Inc. (the "Company") was incorporated in 1998 under the laws of the state of Delaware as Erste Bank Artesia Securities, Inc. and, prior to March 31, 2001 was owned 50% by Artesia Banking Corporation NV, S.A., a Belgian company and 50% by Erste Bank der Oesterreichischen Sparkassen AG, an Austrian company. Effective April 1, 2001 the Company was sold by its former owners to Dupont Direct Financial Holdings, Inc. ("Dupont") and became a 100% owned subsidiary of Dupont. The Company was approved, effective 1998, to operate as a registered broker-dealer under the Securities Exchange Act of 1934, and it is a member of the National Association of Securities Dealers, Inc. The Company has a clearing agreement that includes a PAIB agreement with Wexford Securities, Inc., a wholly owned and fully guaranteed subsidiary of Prudential Securities, to act as its clearing agent on a fully disclosed basis. At March 31, 2003, the Company's Treasury Bills consist of clearing deposits maintained at Wexford Securities. Some additional marketable equity securities were held at the firm. The Company has no proprietary trading accounts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of American International Securities, Inc. is presented to assist in understanding the Company's financial statements. The financial statements are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Financial instruments

In the opinion of management, the fair value of financial instruments is equal to their carrying value in the financial statements. Market value was used in determining fair value.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and cash equivalents:

Cash and cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less which are not used as collateral.

Marketable equity and government securities:

The Company has adopted Statement of Financial Accounting Standards ("SFAS") Number 115 "Accounting for Certain Investments in Debt and Equity Securities". The Company's investments consist mainly of clearing deposits. There are no proprietary trading or inventory accounts. Accordingly, such securities are carried at market value with any unrealized gains and losses included in income. Realized gains or losses are computed based on the average cost of the securities sold. Government securities at March 31, 2003 consisted of Treasury bills held as a clearing deposit.

AMERICAN INTERNATIONAL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2003

Property and equipment:

Property and equipment, which consists of furniture and office equipment, are stated at cost. Depreciation was computed over the useful lives of the assets on the straight line method. At March 31, 2003, the property and equipment were fully depreciated.

Concentrations of credit risk:

Financial instruments that potentially subject the Company to major credit risk consist principally of cash investments and securities carried as investments. The Company places its cash investments with quality entities to minimize credit risk.

Income taxes:

The Company files consolidated income tax returns, using a year ended March 31st, with its parent company, Dupont. It files separate state and local returns, but, since it has not been profitable, such taxes are minimal. No deferred receivable was recorded for the benefit of the net operating loss, because, based on the history of the Company and its parent, recovery of this loss against future profits was considered doubtful.

NOTE 3. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital of the greater of \$5,000 or 6 2/3% of aggregate indebtedness capital, both as defined. At March 31, 2003, the Company had net capital of \$48,974, which exceeded requirements by \$43,974.

NOTE 4. LEASE COMMITMENT RELEASE

The Company, while known as Erste Bank Artesia Securities, Inc., became liable on a lease for office space that it does not occupy or sublet under a lease agreement that was set to expire in June 2005. As of February 19, 2003 the landlord of the office space has given the Company a release from the lease agreement.

SUPPORTING SCHEDULES

**AMERICAN INTERNATIONAL SECURITIES, INC.
COMPUTATION OF NET CAPITAL REQUIREMENTS
PURSUANT TO RULE 15C3-1
MARCH 31, 2003**

NET CAPITAL

Stockholder's equity	<u>\$ 110,290</u>
Deductions and/or changes in non-allowable assets:	
Furniture and fixtures	-
Receivable from parent company	<u>44,302</u>
Total non-allowable assets	<u>(44,302)</u>
Net capital before haircuts	65,988
Haircuts on securities	
Marketable equity securities -15% plus undo concentration	<u>(17,014)</u>
Net capital	<u><u>\$ 48,974</u></u>

AGGREGATE INDEBTEDNESS

Items included in the statement of financial condition	
Accounts payable	\$ 600
Accrued corporation tax	575
Cash overdraft	17
Total aggregate indebtedness	<u><u>\$ 1,192</u></u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required based on aggregate indebtedness	<u>\$ 79</u>
Minimum dollar net capital requirement	<u>\$ 5,000</u>
Minimum net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 43,974</u>
Excess net capital at 1500%	<u>\$ 48,895</u>
Excess net capital at 1000%	<u><u>\$ 48,855</u></u>

Ratio of aggregate indebtedness to net capital .0243 to 1

There were no differences between net capital as reported in the Company's Part IIA and the annual report at March 31, 2003

As of March 31, 2003 the Company has not effected any transactions for anyone defined as a customer under Rule 15c3-3. Accordingly, there are no items to report.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL
ACCOUNTING CONTROL REQUIRED BY SEC RULE 17A-5

**BERNSTEIN PINCHUK
& KAMINSKY LLP**

Certified Public
Accountants

Board of Directors and Stockholder
American International Securities, Inc
New York, New York

Seven Penn Plaza
New York, NY 10001

Tel 212 279-7900
Tel 516 897-7979
Fax 212 279-7901
BPKCPAS@aol.com

In the planning and performing of our audit of the financial statements of American International Securities, Inc for the year ended March 31, 2003, 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.

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. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and the recordation 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 customers 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 judgements 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 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.

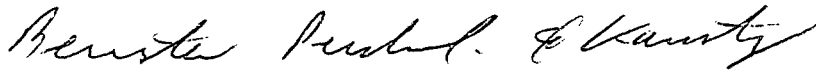
Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or 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 a specific internal control structure element 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 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 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 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 purpose.



New York, New York
May 15, 2003