



03054258

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 2004  
Estimated average burden  
hours per response..... 12.00

BB  
4/29  
AMENDMENT

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

SECURITIES AND EXCHANGE COMMISSION RECEIVED

APR 03 2003

SEC FILE NUMBER  
51825

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 1/1/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MultiTrade Securities LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
100 Park Avenue, Suite 1600  
(No. and Street)  
New York, NY 10017  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Luis F. Restrepo 212-880-2690  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Citrin Cooperman & Company, LLP  
(Name - if individual, state last, first, middle name)  
529 Fifth Avenue, New York, NY 10017  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

**PROCESSED**  
**MAY 01 2003**

**FOR OFFICIAL USE ONLY** 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, Luis F. Resrepo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MultiTrade Securities 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STACEY TROCHECK  
Notary Public, State of New York  
No. 01TR5049589  
Qualified in New York County  
Commission Expires Sept. 18, 2005

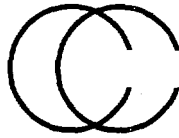
Stacey Trocheck  
Notary Public

[Signature]  
Signature  
Chief Executive Officer  
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.

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



## Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

Board of Directors  
MultiTrade Securities LLC

We have audited the accompanying statement of financial condition of MultiTrade Securities LLC as of December 31, 2002, and the related statements of operations, changes in members' equity, changes in subordinated liabilities, and cash flows for the year then ended which you are filing pursuant to rule 17a-5(d) 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 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 MultiTrade Securities LLC as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supporting schedule 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 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.

*Citrin Cooperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York  
February 5, 2003

**MULTITRADE SECURITIES LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2002**

**ASSETS**

Cash	\$	232,041
Due from brokers		188,892
Commissions receivable		35,715
Equipment, net		21,146
Advances to affiliates		68,283
Other assets		<u>77,150</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>623,227</u></b>

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities:		
Accrued expenses and other liabilities	\$	180,118
Subordinated liabilities		<u>300,000</u>
Total liabilities		480,118
Members' equity		<u>143,109</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$</b>	<b><u>623,227</u></b>

See accompanying notes to financial statements.

**MULTITRADE SECURITIES LLC  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Revenue:	
Commissions	\$ 2,599,093
Interest	<u>6,190</u>
Total revenue	<u>2,605,283</u>
Expenses:	
Clearing fees	1,292,002
Travel and entertainment	208,234
Broker expense	189,669
Other	155,190
Rent	145,007
Salaries	69,626
Professional fees	57,279
Depreciation	18,923
Interest	<u>11,426</u>
Total expenses	<u>2,147,356</u>
Operating income before members' compensation	457,927
Members' compensation	<u>558,141</u>
NET LOSS	<u>\$ (100,214)</u>

See accompanying notes to financial statements.

**MULTITRADE SECURITIES LLC  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Members' equity at January 1, 2002	\$ 243,323
Net loss	<u>(100,214)</u>
Members' equity at December 31, 2002	<u>\$ 143,109</u>

See accompanying notes to financial statements.

**MULTITRADE SECURITIES LLC  
STATEMENT OF CHANGES IN SUBORDINATED LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Subordinated liabilities at January 1, 2002	\$ <u>300,000</u>
Subordinated liabilities at December 31, 2002	\$ <u>300,000</u>

See accompanying notes to financial statements.

**MULTITRADE SECURITIES LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash flows from operating activities:	
Net loss	\$ (100,214)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	18,923
Changes in assets and liabilities:	
Due from brokers	16,678
Commissions receivable	(16,898)
Advances to affiliates	(68,283)
Other assets	(67,045)
Accrued expenses and other current liabilities	<u>137,396</u>
Net cash used in operating activities	<u>(79,443)</u>
Cash flows from investing activities:	
Payments for the purchase of equipment	<u>(10,877)</u>
Net cash used in investing activities	<u>(10,877)</u>
Net decrease in cash	(90,320)
Cash - beginning	<u>322,361</u>
<b>CASH - ENDING</b>	<b><u>\$ 232,041</u></b>
Supplemental cash flow information:	
Cash paid during the year for interest	<u>\$ 11,426</u>

See accompanying notes to financial statements.



**MULTITRADE SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

MultiTrade Securities LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is member of the National Association of Securities Dealers, Inc. The Company's principal business is introducing customers to its clearing brokers, pursuant to a fully disclosed clearance agreement, for which it earns commissions. Therefore, the Company is exempt from the requirement of SEC rule 15c3-3 under paragraph k(2)(ii).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's 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 amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Commission revenue is associated with transactions in securities, mutual funds and other products and is recorded on a trade-date basis.

Concentration of Credit and Off Balance Sheet Risk

The Company conducts business with its clearing brokers on behalf of its customers pursuant to its clearance agreements. In the event that the Company's customers do not fulfill their obligations in connection with their securities transactions, the Company has agreed to indemnify its clearing brokers for losses the clearing broker may sustain as a result of this failure. Additionally, the Company's cash balances are held in accounts at one financial institution.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for on a straight-line basis over the estimated useful lives of the assets, usually three years.

Income Taxes

No provision is made in the accompanying financial statements for liabilities for federal or state income taxes since such liabilities are the responsibility of the individual members. The City of New York assesses a tax on the income of unincorporated businesses operating within its jurisdiction at the rate of 4% of net income, as adjusted. Accordingly, a provision has been made in the financial statements for the New York City unincorporated business tax.

**NOTE 2. ADVANCES TO AFFILIATES**

During the year, the Company advanced funds to two entities affiliated by common ownership for organizational expenses and start-up costs. It is anticipated that these affiliates will provide services to the Company as well as other unrelated clients.

**MULTITRADE SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2002, consist of the following:

Computer equipment (3 year recovery period)	\$	56,267
Less: accumulated depreciation		<u>35,121</u>
Net property and equipment	\$	<u>21,146</u>

Depreciation expense for the year ended December 31, 2002 amounted to \$18,923.

**NOTE 4. 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 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. The Company has met these requirements. At December 31, 2002, the Company had net capital of \$276,530, which exceeds the Company's minimum net capital requirement of \$12,008. The Company's ratio of aggregate indebtedness to net capital was 0.65 to 1 as of December 31, 2002.

**NOTE 5. LEASE COMMITMENTS**

The Company has entered into three operating leases for office facilities expiring in 2005. The minimum annual rental commitments under these leases are as follows:

<u>Year ending December 31,</u>		
2003	\$	92,400
2004		92,400
2005		<u>92,400</u>
	\$	<u>277,200</u>

**NOTE 6. SUBORDINATED NOTES PAYABLE**

The Company has a subordinated loan agreement from one of its members for \$300,000, which matures on July 31, 2003. The agreement was approved for regulatory net capital purposes by the National Association of Securities Dealers, Inc. and bears interest at the three month LIBOR plus 0.55% per annum. The LIBOR at December 31, 2002, was 2.86125%. Interest expense for the subordinated loan, which was fully paid at December 31, 2002, was \$7,028.

To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

**NOTE 7. ECONOMIC CONCENTRATION**

The Company does business in conjunction with Bloomberg Tradebook, LLC ("Bloomberg") and B-Trade Services, LLC ("B-Trade"), an affiliate of the Bank of New York Company, Inc. A customer of the Company must be licensed to use the services of Bloomberg and be located in and execute trades in Latin America. Otherwise customers must be mutually agreed to by both the Company and B-Trade. The above structure results in an economic dependency of the Company on Bloomberg and B-Trade. B-Trade Subordinated Funding, LLC, an affiliate of Bloomberg Tradebook, and BNY Capital Corporation, an affiliate of B-Trade, are minority members of the Company.

**ADDITIONAL INFORMATION**

**MULTITRADE SECURITIES LLC**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**AS OF DECEMBER 31, 2002**

NET CAPITAL

Members' equity	\$ 143,109
Subordinated liabilities allowable in computation of net capital	<u>300,000</u>
Total capital and allowable subordinated liabilities	<u>443,109</u>
Non-allowable assets	
Equipment, net	21,146
Advances to affiliates	68,283
Other assets	<u>77,150</u>
	<u>166,579</u>
Net capital before haircuts on securities positions	276,530
Haircuts on securities positions	<u>-</u>
<b>NET CAPITAL</b>	<b>\$ <u>276,530</u></b>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

Minimum net capital requirement of 6-2/3% of aggregate indebtedness of \$180,118 or \$5,000	12,008
<b>EXCESS NET CAPITAL</b>	<b>\$ <u>264,522</u></b>

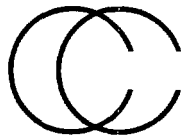
AGGREGATE INDEBTEDNESS:

Accrued expenses and other current liabilities	<u>180,118</u>
Total aggregate indebtedness	180,118
Ratio: Aggregate indebtedness to net capital	<u>.65 to 1</u>

RECONCILIATION OF NET CAPITAL

Net capital as reported in Company's Part II (unaudited)	\$ 382,610
Net effect of audit adjustments	<u>106,080</u>
Net capital, as adjusted	<b>\$ <u>276,530</u></b>

See independent auditors' report.



# Citricooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
MultiTrade Securities LLC

In planning and performing our audit of the financial statements and supplementary schedules of MultiTrade Securities LLC (the "Company") for the year ended December 31, 2002, 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 and Exchange Commission (the "Commission"), 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)(II) and 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 quarterly securities examinations, counts, verifications and comparisons, 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 securities accounts for customers or perform custodial functions relating to customer securities.

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 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 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 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, errors 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 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 our study, we 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 use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Security Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used by anyone other than the specified parties.

New York, New York  
February 5, 2003

*Citicia Caperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS