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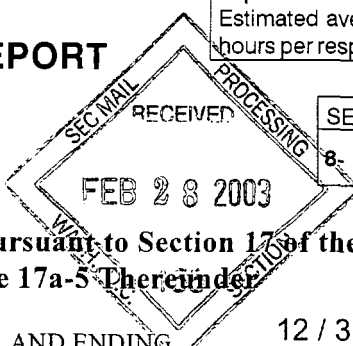
MISSION

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| OMB APPROVAL | |
| OMB Number: | 3235-0123 |
| Expires: | October 31, 2004 |
| Estimated average burden hours per response..... | 12.00 |

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

FACING PAGE

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



| |
|-----------------|
| SEC FILE NUMBER |
| 8- 45034 |

REPORT FOR THE PERIOD BEGINNING 01 / 01 / 02 AND ENDING 12 / 31 / 02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **DAEWOO SECURITIES (AMERICA) INC.**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

101 EAST 52ND STREET 28TH FLOOR

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

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

KIYOUNG KIM

(212) 407-1017

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG LLP

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

345 PARK AVENUE

NEW YORK

NY

10154

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

**PROCESSED
MAR 18 2003
THOMSON
FINANCIAL**

FOR OFFICIAL USE ONLY

*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)

SEC 1410 (06-02)

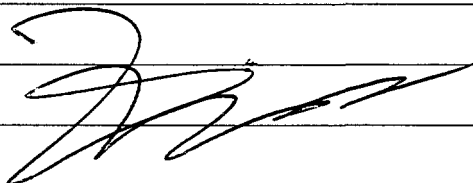
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information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

BP
3/13

OATH OR AFFIRMATION

I, KIYOUNG KIM, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DAEWOO SECURITIES (AMERICA) INC., 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:

KATHERINE BEECHER CARLBURG
Notary Public, State of New York
No. 02CA6024469
Qualified in Kings County
Commission Expires May 10, 2003



Signature

SENIOR VICE PRESIDENT

Title

Katherine Beecher Carlburg

Notary Public

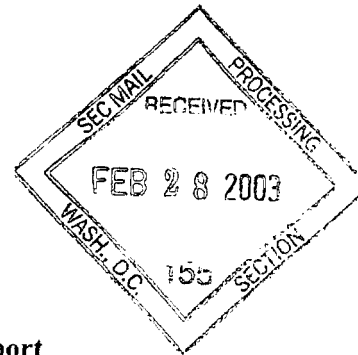
This report ** contains (check all applicable boxes):

- ☒ (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).



345 Park Avenue
New York, NY 10154



Independent Auditors' Report

The Board of Directors
Daewoo Securities (America) Inc.:

We have audited the accompanying consolidated statement of financial condition of Daewoo Securities (America) Inc. (a wholly owned subsidiary of Daewoo Securities Co., Ltd.) and subsidiary as of December 31, 2002. This consolidated statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated statement of financial condition 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 statement of financial condition is free of material misstatement. An audit of a statement of financial condition includes examining, on a test basis, evidence supporting the amounts and disclosures in that statement of financial condition. An audit of a statement of financial condition also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statements of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the financial position of Daewoo Securities (America) Inc. and subsidiary as of December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

January 24, 2003



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.



DAEWOO SECURITIES (AMERICA) INC.
(A Wholly Owned Subsidiary of
Daewoo Securities Co., Ltd.)
AND SUBSIDIARY

Consolidated Statement of Financial Condition

December 31, 2002

(With Independent Auditors' Report Thereon)

DAEWOO SECURITIES (AMERICA) INC.
(A Wholly Owned Subsidiary of
Daewoo Securities Co., Ltd.)
AND SUBSIDIARY

Consolidated Statement of Financial Condition

December 31, 2002

Assets

| | |
|---|-----------------------------|
| Cash | \$ 2,597,914 |
| Receivable from brokers and dealers (note 2) | 49,033 |
| Securities owned, at market value: | |
| U.S. Government securities | 293,602 |
| Corporate stocks | 3,300 |
| Mutual funds | <u>8,341,201</u> |
| | 8,638,103 |
| Furniture, office equipment, and leasehold improvements, at cost, | |
| less accumulated depreciation and amortization of \$549,827 | 73,822 |
| Other assets | <u>366,025</u> |
| Total assets | \$ <u><u>11,724,897</u></u> |

Liabilities and Stockholder's Equity

| | |
|---|-----------------------------|
| Liabilities: | |
| Accrued expense and other liabilities | \$ <u>176,877</u> |
| Total liabilities | <u>176,877</u> |
| Commitments (note 4) | |
| Stockholder's equity (note 3): | |
| Common stock, \$.01 par value. Authorized 100,000 shares; | |
| issued and outstanding 12,000 shares | 120 |
| Additional paid-in capital | 11,999,880 |
| Accumulated deficit | <u>(451,980)</u> |
| Total stockholder's equity | <u>11,548,020</u> |
| Total liabilities and stockholder's equity | \$ <u><u>11,724,897</u></u> |

See accompanying notes to consolidated financial statement.

DAEWOO SECURITIES (AMERICA) INC.
(A Wholly Owned Subsidiary of
Daewoo Securities Co., Ltd.)
AND SUBSIDIARY

Notes to Consolidated Financial Statement
December 31, 2002 and 2001

(1) Organization and Summary of Significant Accounting Policies

Daewoo Securities (America) Inc. (the Company), a wholly owned subsidiary of Daewoo Securities Co., Ltd. (the Parent) of Korea, is a registered broker and dealer in securities under the Securities Exchange Act of 1934. The Company was incorporated in the State of New York on July 7, 1992 and is a member of the National Association of Securities Dealers, Inc. (NASD). Daewoo Futures Inc., a wholly owned subsidiary of the Company, was incorporated in May 1995. As of December 31, 2002, Daewoo Futures Inc. was not engaged in active business.

The Company primarily serves U.S. institutional customers as a broker and dealer of Korean securities and underwriter of Korean debt and equity securities.

(a) Principles of Consolidation

The accompanying consolidated statement of financial condition includes the financial statements of the Company and its wholly owned subsidiary, Daewoo Futures Inc. All significant intercompany transactions and balances have been eliminated in consolidation.

(b) Securities Owned

Securities transactions are recorded on a trade-date basis.

Securities owned are carried at market value.

(c) Depreciation and Amortization

Furniture, office equipment, and leasehold improvements are stated at cost. Depreciation of furniture and office equipment is provided on a straight-line basis over the estimated useful lives of the respective assets, ranging from five to six years. Leasehold improvements are amortized on a straight-line basis over the shorter of their useful lives or terms of their related leases.

(d) Income Taxes

Income taxes are accounted for under the asset and liability method. 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 bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in 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.

DAEWOO SECURITIES (AMERICA) INC.

(A Wholly Owned Subsidiary of

Daewoo Securities Co., Ltd.)

AND SUBSIDIARY

Notes to Consolidated Financial Statement

December 31, 2002 and 2001

(e) Use of Estimates in the Preparation of Financial Statements

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 disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Related Party Transactions

The Company executes purchases and sales of Korean securities for customers and proprietary positions through the Parent company. Commissions on Korean equity securities transactions for customers are collected by its Parent directly from the customers and remitted periodically to the Company. At December 31, 2002, commission receivable from the Parent amounted to \$36,452.

(3) Net Capital Requirements

The Company, as a registered broker and dealer in securities, is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. Such rule prohibits the Company from engaging in any securities transactions whenever its "aggregate indebtedness" (as defined) exceeds fifteen times its "net capital" (as defined). Under such rule, and the related rules of NASD, the Company may be required to reduce its business if its net capital ratio exceeds 12 to 1, and it may be prohibited from expanding its business if its net capital ratio exceeds 10 to 1.

At December 31, 2002, the Company had a net capital requirement of \$100,000, whereas it had net capital of \$10,631,112. The Company's percentage of aggregate indebtedness to net capital for the year ended December 31, 2002 was 1.66%.

(4) Commitments

The Company leases its office space under a noncancelable lease, which expires on July 31, 2004. The lease contains a rent escalation clause for increases in base property taxes and wage rate, and provisions for payments for maintenance and certain other operating costs.

Minimum future rentals for the noncancelable operating lease are as follows:

| | <u>Amount</u> |
|--------------------------|-------------------|
| Year ending December 31: | |
| 2003 | \$ 249,000 |
| 2004 | <u>145,000</u> |
| | <u>\$ 394,000</u> |