

Arendholz Bryan & Associates, PC

A Certified Public Accounting Firm

**1169 Main Street Suite 8A
Branford, CT 06405**

Telephone: (203) 483-7333

Fax: (203) 483-8320

INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying schedule of investment returns of Mr. Timothy K. Sykes for the year ended December 31, 2001. Mr. Sykes is responsible for the schedule of investment returns. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence supporting the Investment Accounts of Mr. Timothy K. Sykes and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination is not intended to provide any assurance as to the monthly investment summaries during the year.

In our opinion, the schedule referred to above presents fairly, in all material respects, the investment returns of Mr. Timothy K. Sykes at the year ended December 31, 2001.

Arendholz Bryan & Associates, PC.
Arendholz Bryan & Associates, PC
March 14, 2002

Mr Timothy K. Sykes
Statement of Returns
For the Year Ended December 31. 2001

	Account 1	Account 2	Account 3	Total
Beginning Balance	\$ 46,906	\$ 317,301	\$ -	\$ 364,207
Account Debits				
Purchases	\$ 7,531,398	\$ 27,319,274	\$ 194,324	\$ 35,044,996
Expenses	\$ 79	\$ 121	\$ -	\$ 200
Other Debits	\$ 23,315	\$ 176,245	\$ -	\$ 199,560
Total Debits	<u>\$ 7,554,792</u>	<u>\$ 27,495,640</u>	<u>\$ 194,324</u>	<u>\$ 35,244,756</u>
Account Credits				
Sales	\$ 7,581,765	\$ 27,446,102	\$ 187,498	\$ 35,215,365
Income	\$ 4,562	\$ 13,391	\$ -	\$ 17,953
Other Credits	\$ 153,024	\$ 109	\$ -	\$ 153,133
Total Credits	<u>\$ 7,739,351</u>	<u>\$ 27,459,602</u>	<u>\$ 187,498</u>	<u>\$ 35,386,451</u>
Ending Balance	<u><u>\$ 231,465</u></u>	<u><u>\$ 281,263</u></u>	<u><u>\$ (6,826)</u></u>	<u><u>\$ 505,902</u></u>
Purchases	\$ 7,531,398	\$ 27,319,274	\$ 194,324	\$ 35,044,996
Sales	\$ 7,581,765	\$ 27,446,102	\$ 187,498	\$ 35,215,365
Total Return	<u><u>\$ 50,367</u></u>	<u><u>\$ 126,828</u></u>	<u><u>\$ (6,826)</u></u>	<u><u>\$ 170,369</u></u>

Return on Investment

47%

See Accountants Report

Timothy K. Sykes

Notes to Investment Accounts
December 31, 2001

1. General

The accounts of Timothy K. Sykes are in his name. The gains and losses are reported on his 1040 tax return.

Mr. Sykes seeks to achieve significant capital appreciation primarily through investing in and trading U.S. Equity securities. This is achieved through the use of a proprietary opportunistic trading system which is a combination of fundamental and technical analysis that seeks to identify profit opportunity.

2. Summary of Significant Accounting Policies

Income Taxes

Mr. Sykes is responsible for the tax liability or benefit related to the taxable income or loss. No provisions for federal, state or local taxes have been reflected.

Revenue Recognition

Transactions in securities and related revenues and expenses are recorded on a trade date basis. Realized gains and losses are recorded on a first in, first out basis unless specifically identified. Dividend income is recorded on the ex-dividend date, and interest income and expense are recorded on a cash basis.

Securities Valuation

Securities traded on national securities exchanges, including equity securities and exchange-traded options, are valued at the last reported sales price on the last day of business of the period. If no such sale occurred or securities are not traded on a securities exchange, long positions will be valued at bid and short positions will be valued at ask.

Short Sale

Revenue recognition of short sales generally occurs on the close of the offsetting contract with respect to the same security. The holding period on the short sale is usually determined by the length of time the seller actually holds the security and eventually delivers the security to close the position.

3. Return on Investment

The return is calculated by dividing the Total Return into the Beginning Balance.

See Accountant Report