

U. S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended January 31,	
	1998	1997
REVENUE:		
Client revenue	\$36,844	\$225,854
Shared service revenue	137,216	140,203
Net income from securities owned	19,056	19,202
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Total revenue	193,116	385,259
EXPENSES:		
Salaries and benefits	66,992	213,562
Professional and outside services	25,530	58,305
Office occupancy and administration	833	22,966
Data processing	500	4,582
Other	18,951	15,669
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Total expenses	112,806	315,084
NET INCOME BEFORE INCOME TAXES	80,310	70,175
INCOME TAX EXPENSE (BENEFIT):		
Current	18,500	13,200
Deferred	(24,600)	(400)
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Total income tax expense (benefit)	(6,100)	12,800
NET INCOME	86,410	57,375
RETAINED EARNINGS - BEGINNING OF THE PERIOD	136,567	274,436
DIVIDENDS PAID	<hr/>	<hr/>
RETAINED EARNINGS - END OF THE PERIOD	<u>\$222,977</u>	<u>\$331,811</u>

U. S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION

	January 31,		December 31,
	1998	1997	1997
	(unaudited)		(unaudited)
ASSETS			
CASH	\$1,044,532	\$27,974	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	4,891	248,445	
Accrued interest and other	189,989	65,655	50,217
Total receivables	194,880	314,100	50,217
SECURITIES OWNED, at market value	2,993,344	4,496,952	1,983,600
OTHER ASSETS	45,964	69,066	19,746
TOTAL	<u>\$4,278,720</u>	<u>\$4,908,092</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$19,912	\$15,057	
Payable to customers and broker/dealers		204,343	
Accounts payable and accrued expenses	131,989	311,906	\$103,433
Income taxes payable	18,500	44,975	
Total liabilities	170,401	576,281	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in Capital	3,800,000		3,800,000
Retained earnings	222,977	331,811	136,567
Total stockholder's equity	4,108,319	4,331,811	4,021,909
TOTAL	<u>\$4,278,720</u>	<u>\$4,908,092</u>	<u>\$4,125,342</u>

U. S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)

January 31, 1998

OWNERSHIP EQUITY		\$ 4,108,319
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,044,532	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,044,532</u>	
A/R, I/A fees, I/M fees	4,500	
A/R, Securites lending fee	0	
A/R, other	187,433	
Prepaid expenses	17,432	
Furniture & equipment	3,932	
Deferred income taxes recoverable	<u>24,600</u>	
Total non-allowable		<u>(1,282,429)</u>
NET CAPITAL BEFORE HAIRCUTS		2,825,890
HAIRCUTS ON SECURITIES		203,911
HAIRCUT FOR EXCESS INSURANCE DEDUCTIBLE		<u>38,000</u>
NET REGULATORY CAPITAL		2,583,979
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 170,401	
Non-A.I. liability	0	
A.I. liabilities	<u>\$ 170,401</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$170,401 X 12 1/2 % =	\$21,300	
REGULATORY MINIMUM NET CAPITAL (greater of \$100,000 or 12 1/2% of aggregate indebtedness)		<u>100,000</u>
EXCESS NET CAPITAL		<u>\$ 2,483,979</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.07 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended February 28,		Two Months Ended February 28,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$41,720	\$222,896	\$78,564	\$448,751
Shared service revenue	139,578	148,437	276,794	288,639
Net income from securities owned	19,340	15,733	38,397	34,935
Total revenue	200,638	387,066	393,755	772,325
EXPENSES:				
Salaries and benefits	63,768	216,731	130,760	430,293
Professional and outside services	30,873	85,691	56,404	143,996
Office occupancy and administration	6,777	31,570	7,610	54,537
Data processing	603	3,653	1,103	8,234
Other	14,840	18,778	33,791	34,447
Total expenses	116,861	356,423	229,668	671,507
NET INCOME BEFORE INCOME TAXES	83,777	30,643	164,087	100,818
INCOME TAX EXPENSE (BENEFIT):				
Current	35,300	28,100	53,800	41,300
Deferred	(300)	(900)	(24,900)	(1,300)
Total income tax expense (benefit)	35,000	27,200	28,900	40,000
NET INCOME	48,777	3,443	135,187	60,818
RETAINED EARNINGS - BEGINNING OF THE PERIOD	222,977	331,811	136,567	274,436
DIVIDENDS PAID				
RETAINED EARNINGS - END OF THE PERIOD	\$271,754	\$335,254	\$271,754	\$335,254

Note: 1997 financial condition presentations include CNBS, a wholly-owned subsidiary of CMI that was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION

	February 28,		December 31,
	1998	1997	1997
	(unaudited)		(unaudited)
ASSETS			
CASH	\$1,990,342	\$105,425	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	14,645	23,619,431	
Accrued interest and other	359,061	188,541	50,217
Total receivables	373,706	23,807,972	50,217
SECURITIES OWNED, at market value	4,001,796	4,295,264	1,983,600
OTHER ASSETS	42,793	74,584	19,746
TOTAL	<u>\$6,408,637</u>	<u>\$28,283,245</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$27,939	\$20,678,058	
Payable to customers and broker/dealers	1,029,615	2,979,311	
Accounts payable and accrued expenses	1,140,187	217,546	\$103,433
Income taxes payable	53,800	73,076	
Total liabilities	2,251,541	23,947,991	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in Capital	3,800,000		3,800,000
Retained earnings	271,754	335,254	136,567
Total stockholder's equity	4,157,096	4,335,254	4,021,909
TOTAL	<u>\$6,408,637</u>	<u>\$28,283,245</u>	<u>\$4,125,342</u>

Note: 1997 financial condition presentations include CNBS, a wholly-owned subsidiary of CMI that was divested effective January 1, 1998.

U. S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
February 28, 1998

OWNERSHIP EQUITY		\$ 4,157,096
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,990,342	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,990,342</u>	
A/R, I/A fees, I/M fees	5,500	
A/R, Securites lending fee	0	
A/R, other	327,011	
Prepaid expenses	14,084	
Furniture & equipment	3,809	
Deferred income taxes recoverable	<u>24,900</u>	
Total non-allowable		<u>(2,365,646)</u>
NET CAPITAL BEFORE HAIRCUTS		1,791,450
HAIRCUTS ON SECURITIES		635,096
HAIRCUT FOR EXCESS INSURANCE DEDUCTIBLE		<u>31,671</u>
NET REGULATORY CAPITAL		1,124,683
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 2,251,541	
Non-A.I. liability	<u>1,029,615</u>	
A.I. liabilities	<u>\$ 1,221,926</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$1,221,926 X 12 1/2 % =	\$152,741	
REGULATORY MINIMUM NET CAPITAL (greater of \$100,000 or 12 1/2% of aggregate indebtedness)		<u>152,741</u>
EXCESS NET CAPITAL		<u>\$ 971,942</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>1.09 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended March 31,		Three Months Ended March 31,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$39,277	\$289,694	\$117,841	\$738,444
Shared service revenue	156,348	122,621	433,142	411,260
Net income from securities owned	18,222	9,843	56,619	44,779
Total revenue	213,847	422,158	607,602	1,194,483
EXPENSES:				
Salaries and benefits	49,622	231,110	180,382	661,402
Professional and outside services	104,428	64,453	160,832	208,449
Office occupancy and administration	5,803	20,464	13,413	75,001
Data processing	498	2,964	1,601	11,199
Other	25,374	33,108	59,165	67,555
Total expenses	185,725	352,099	415,393	1,023,606
NET INCOME BEFORE INCOME TAXES	28,122	70,059	192,209	170,877
INCOME TAX EXPENSE (BENEFIT):				
Current	12,900	15,527	66,700	56,827
Deferred		600	(24,900)	(700)
Total income tax expense (benefit)	12,900	16,127	41,800	56,127
NET INCOME	15,222	53,932	150,409	114,750
RETAINED EARNINGS - BEGINNING OF THE PERIOD	271,754	335,254	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	\$286,976	\$389,186	\$286,976	\$389,186

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	March 31,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,284,066	\$116,350	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	5,000	528,344	
Accrued interest and other	162,248	180,121	50,217
Total receivables	167,248	708,465	50,217
SECURITIES OWNED, at market value	2,997,969	4,332,604	1,983,600
OTHER ASSETS	42,536	74,371	19,746
TOTAL	<u>\$4,491,819</u>	<u>\$5,231,790</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$101,946	\$420,669	
Payable to customers and broker/dealers		124,885	
Accounts payable and accrued expenses	150,855	237,450	\$103,433
Income taxes payable	66,700	59,600	
Total liabilities	319,501	842,604	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	286,976	389,186	136,567
Total stockholder's equity	4,172,318	4,389,186	4,021,909
TOTAL	<u>\$4,491,819</u>	<u>\$5,231,790</u>	<u>\$4,125,342</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
March 31, 1998

OWNERSHIP EQUITY		\$ 4,172,318
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,284,066	
Less normal cash operating balance	<u>0</u>	
Non-allowable cash	1,284,066	
A/R, I/A fees, I/M fees	5,000	
A/R, Securites lending fee	0	
A/R, other	156,348	
Prepaid expenses	13,950	
Furniture & equipment	3,685	
Deferred income taxes recoverable	<u>24,900</u>	
Total non-allowable assets		<u>(1,487,949)</u>
NET CAPITAL BEFORE HAIRCUTS		2,684,369
HAIRCUTS ON SECURITIES		614,144
HAIRCUT FOR EXCESS INSURANCE DEDUCTIBLE		<u>38,000</u>
NET REGULATORY CAPITAL		2,032,225
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 319,501	
Non-A.I. liability	<u>0</u>	
A.I. liabilities	<u>\$ 319,501</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$319,501 X 12 1/2 % =	\$39,938	
REGULATORY MINIMUM NET CAPITAL (greater of \$100,000 or 12 1/2% of aggregate indebtedness)		<u>100,000</u>
EXCESS NET CAPITAL		<u>\$ 1,932,225</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.16 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended		Four Months Ended	
	April 30,	1997	1998	April 30, 1997
REVENUE:				
Client revenue	\$53,336	\$219,624	\$171,177	\$958,068
Shared service revenue	82,091	157,846	515,233	569,107
Net income from securities owned	25,205	18,058	81,824	62,836
Total revenue	160,632	395,528	768,234	1,590,011
EXPENSES:				
Salaries and benefits	82,656	292,140	263,038	953,543
Professional and outside services	38,235	85,508	199,067	293,957
Office occupancy and administration	7,151	20,078	20,564	95,079
Data processing	497	9,874	2,098	21,073
Other	29,879	24,189	89,044	91,743
Total expenses	158,418	431,789	573,811	1,455,395
NET INCOME (LOSS) BEFORE INCOME TAXES	2,214	(36,261)	194,423	134,616
INCOME TAX EXPENSE (BENEFIT):				
Current	(16,749)	(8,252)	49,951	48,575
Deferred	23,600	(6,500)	(1,300)	(7,200)
Total income tax expense (benefit)	6,851	(14,752)	48,651	41,375
NET INCOME (LOSS)	(4,637)	(21,509)	145,772	93,241
RETAINED EARNINGS - BEGINNING OF THE PERIOD	286,976	389,186	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	\$282,339	\$367,677	\$282,339	\$367,677

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	April 30,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,211,568	\$60,580	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	5,532	56,724	
Accrued interest and other	111,607	204,225	50,217
Total receivables	117,139	260,949	50,217
SECURITIES OWNED, at market value	3,002,775	4,348,689	1,983,600
OTHER ASSETS	20,146	72,368	19,746
TOTAL	<u>\$4,351,628</u>	<u>\$4,742,586</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$26,777	\$66,876	
Payable to customers and broker/dealers		26,307	
Accounts payable and accrued expenses	141,970	252,080	\$103,433
Income taxes payable	15,200	29,646	
Total liabilities	183,947	374,909	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	282,339	367,677	136,567
Total stockholder's equity	4,167,681	4,367,677	4,021,909
TOTAL	<u>\$4,351,628</u>	<u>\$4,742,586</u>	<u>\$4,125,342</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)

April 30, 1998

OWNERSHIP EQUITY		\$ 4,167,681
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,211,568	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,211,568</u>	
A/R, I/A fees, I/M fees	3,500	
A/R, Securites lending fee	0	
A/R, other	100,541	
Prepaid expenses	13,760	
Furniture & equipment	5,086	
Deferred income taxes recoverable	<u>1,300</u>	
Total non-allowable assets		<u>(1,335,755)</u>
NET CAPITAL BEFORE HAIRCUTS		2,831,926
HAIRCUTS ON SECURITIES		611,906
HAIRCUT FOR EXCESS INSURANCE DEDUCTIBLE		<u>38,000</u>
NET REGULATORY CAPITAL		2,182,020
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 183,947	
Non-A.I. liability	0	
A.I. liabilities	<u>\$ 183,947</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$183,947 X 12 1/2 % =	\$22,993	
REGULATORY MINIMUM NET CAPITAL		<u>100,000</u>
(greater of \$100,000 or 12 1/2% of aggregate indebtedness)		
EXCESS NET CAPITAL		<u>\$ 2,082,020</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.08 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended May 31,		Five Months Ended May 31,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$29,439	\$151,439	\$200,616	\$1,109,507
Shared service revenue	88,412	156,236	603,645	725,343
Net income from securities owned	17,486	36,035	99,310	98,872
Total revenue	135,337	343,710	903,571	1,933,722
EXPENSES:				
Salaries and benefits	50,720	219,245	313,758	1,172,788
Professional and outside services	37,710	81,090	236,777	375,047
Office occupancy and administration	5,606	25,900	26,170	120,979
Data processing	886	2,761	2,984	23,834
Other	35,641	58,288	124,685	150,032
Total expenses	130,563	387,284	704,374	1,842,680
NET INCOME (LOSS) BEFORE INCOME TAXES	4,774	(43,574)	199,197	91,042
INCOME TAX EXPENSE (BENEFIT):				
Current	2,634	(14,952)	52,585	33,623
Deferred	(300)	(3,000)	(1,600)	(10,200)
Total income tax expense (benefit)	2,334	(17,952)	50,985	23,423
NET INCOME (LOSS)	2,440	(25,622)	148,212	67,619
RETAINED EARNINGS - BEGINNING OF THE PERIOD	282,339	367,677	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	\$284,779	\$342,055	\$284,779	\$342,055

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	May 31,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,202,735	\$599,319	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	4,359	71,130	
Accrued interest and other	104,651	220,934	50,217
Total receivables	109,010	292,064	50,217
SECURITIES OWNED, at market value	3,000,000	3,792,410	1,983,600
OTHER ASSETS	24,282	73,232	19,746
TOTAL	\$4,336,027	\$4,757,025	\$4,125,342
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$35,697	\$70,912	
Payable to customers and broker/dealers		31,911	
Accounts payable and accrued expenses	112,109	297,453	\$103,433
Income taxes payable	18,100	14,694	
Total liabilities	165,906	414,970	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	284,779	342,055	136,567
Total stockholder's equity	4,170,121	4,342,055	4,021,909
TOTAL	\$4,336,027	\$4,757,025	\$4,125,342

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)

May 31, 1998

OWNERSHIP EQUITY		\$ 4,170,121
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,202,735	
Less normal cash operating balance	<u>0</u>	
Non-allowable cash	1,202,735	
A/R, I/A fees, I/M fees	3,500	
A/R, Securites lending fee	0	
A/R, other	88,418	
Prepaid expenses	17,745	
Furniture & equipment	4,937	
Deferred income taxes recoverable	<u>1,600</u>	
Total non-allowable assets		<u>(1,318,935)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,813,186
HAIRCUTS ON SECURITIES		<u>(611,704)</u>
NET REGULATORY CAPITAL		2,201,482
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 165,906	
Non-A.I. liability	<u>0</u>	
A.I. liabilities	<u>\$ 165,906</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$165,906 X 12 1/2 % =	\$20,738	
REGULATORY MINIMUM NET CAPITAL		<u>100,000</u>
(greater of \$100,000 or 12 1/2% of aggregate indebtedness)		
EXCESS NET CAPITAL		<u>\$ 2,101,482</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.08 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$32,956	\$180,864	\$233,573	\$1,290,371
Shared service revenue	92,033	159,612	695,678	884,955
Net income from securities owned	22,488	24,666	121,799	123,537
Total revenue	147,477	365,142	1,051,050	2,298,863
EXPENSES:				
Salaries and benefits	90,735	237,775	404,494	1,410,563
Professional and outside services	25,288	78,242	262,066	453,289
Office occupancy and administration	10,224	24,144	36,394	145,123
Data processing	497	2,775	3,480	26,608
Other	19,961	32,540	144,647	182,572
Total expenses	146,705	375,476	851,081	2,218,155
NET INCOME (LOSS) BEFORE INCOME TAXES	772	(10,334)	199,969	80,708
INCOME TAX EXPENSE (BENEFIT):				
Current	13,800	(4,600)	66,385	29,023
Deferred	(12,000)	(100)	(13,600)	(10,300)
Total income tax expense (benefit)	1,800	(4,700)	52,785	18,723
NET INCOME (LOSS)	(1,028)	(5,634)	147,184	61,985
RETAINED EARNINGS - BEGINNING OF THE PERIOD	284,779	342,055	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	\$283,751	\$336,421	\$283,751	\$336,421

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	June 30,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,184,023	\$495,020	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	5,922	900,135	
Accrued interest and other	110,878	242,170	50,217
Total receivables	116,800	1,142,305	50,217
SECURITIES OWNED, at market value	3,000,344	3,896,014	1,983,600
OTHER ASSETS	73,128	86,176	19,746
TOTAL	<u>\$4,374,295</u>	<u>\$5,619,515</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$34,542	\$72,785	
Payable to customers and broker/dealers		861,946	
Accounts payable and accrued expenses	154,060	341,467	\$103,433
Income taxes payable	16,600	6,896	
Total liabilities	205,202	1,283,094	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	283,751	336,421	136,567
Total stockholder's equity	4,169,093	4,336,421	4,021,909
TOTAL	<u>\$4,374,295</u>	<u>\$5,619,515</u>	<u>\$4,125,342</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
June 30, 1998

OWNERSHIP EQUITY		\$ 4,169,093
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,184,023	
Less normal cash operating balance	<u>0</u>	
Non-allowable cash	1,184,023	
A/R, I/M fees	3,500	
A/R, Securites lending fee	0	
A/R, other	92,033	
Prepaid expenses	16,840	
Furniture & equipment	4,787	
Current and deferred income taxes recoverable	<u>51,500</u>	
Total non-allowable assets		<u>(1,352,683)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,778,410
HAIRCUTS ON SECURITIES		<u>(408,852)</u>
NET REGULATORY CAPITAL		2,369,558
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 205,202	
Non-A.I. liability	<u>0</u>	
A.I. liabilities	<u>\$ 205,202</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$205,202 X 12 1/2 % =	\$25,650	
REGULATORY MINIMUM NET CAPITAL (greater of \$100,000 or 12 1/2% of aggregate indebtedness)		<u>100,000</u>
EXCESS NET CAPITAL		<u>\$ 2,269,558</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.09 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended July 31,		Seven Months Ended July 31,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$80,555	\$173,789	\$314,128	\$1,464,160
Shared service revenue	93,940	158,101	789,618	1,043,056
Net income from securities owned	<u>23,222</u>	<u>29,405</u>	<u>145,020</u>	<u>152,941</u>
Total revenue	197,717	361,295	1,248,766	2,660,157
EXPENSES:				
Salaries and benefits	60,018	255,668	464,511	1,666,231
Professional and outside services	95,177	92,494	357,242	545,783
Office occupancy and administration	8,253	24,631	44,647	169,754
Data processing	486	2,784	3,966	29,393
Other	<u>(4,034)</u>	<u>123,982</u>	<u>140,614</u>	<u>306,552</u>
Total expenses	<u>159,900</u>	<u>499,559</u>	<u>1,010,980</u>	<u>2,717,713</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	37,817	(138,264)	237,786	(57,556)
INCOME TAX EXPENSE (BENEFIT):				
Current	17,000	(27,459)	83,385	1,564
Deferred	<u>(400)</u>	<u>(10,500)</u>	<u>(14,000)</u>	<u>(20,800)</u>
Total income tax expense (benefit)	<u>16,600</u>	<u>(37,959)</u>	<u>69,385</u>	<u>(19,236)</u>
NET INCOME (LOSS)	21,217	(100,305)	168,401	(38,320)
RETAINED EARNINGS - BEGINNING OF THE PERIOD	<u>283,751</u>	<u>336,421</u>	<u>136,567</u>	<u>274,436</u>
RETAINED EARNINGS - END OF THE PERIOD	<u>\$304,968</u>	<u>\$236,116</u>	<u>\$304,968</u>	<u>\$236,116</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	July 31,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,204,007	\$357,606	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	3,250	87,263	
Accrued interest and other	146,468	230,904	50,217
Total receivables	149,718	318,167	50,217
SECURITIES OWNED, at market value	3,006,094	3,904,090	1,983,600
OTHER ASSETS	58,952	148,115	19,746
TOTAL	\$4,418,771	\$4,727,978	\$4,125,342
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$104,637	\$82,954	
Payable to customers and broker/dealers		27,238	
Accounts payable and accrued expenses	104,324	380,274	\$103,433
Income taxes payable	19,500	1,396	
Total liabilities	228,461	491,862	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	304,968	236,116	136,567
Total stockholder's equity	4,190,310	4,236,116	4,021,909
TOTAL	\$4,418,771	\$4,727,978	\$4,125,342

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)

July 31, 1998

OWNERSHIP EQUITY		\$ 4,190,310
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,204,007	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,204,007</u>	
A/R, I/M fees	3,250	
A/R, Securites lending fee	0	
A/R, other	93,940	
Prepaid expenses	16,514	
Furniture & equipment	4,638	
Current and deferred income taxes recoverable	<u>37,800</u>	
Total non-allowable assets		<u>(1,360,149)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,792,161
HAIRCUTS ON SECURITIES		<u>(613,549)</u>
NET REGULATORY CAPITAL		2,178,612
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 228,461	
Non-A.I. liability	0	
A.I. liabilities	<u>\$ 228,461</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$228,461 X 12 1/2 % =	\$28,558	
REGULATORY MINIMUM NET CAPITAL		<u>100,000</u>
(greater of \$100,000 or 12 1/2% of aggregate indebtedness)		
EXCESS NET CAPITAL		<u>\$ 2,078,612</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.10 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended August 31,		Eight Months Ended August 31,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$25,442	\$135,573	\$339,569	\$1,599,733
Shared service revenue	90,722	153,703	880,340	1,196,759
Net income from securities owned	<u>27,675</u>	<u>14,982</u>	<u>172,696</u>	<u>167,924</u>
Total revenue	143,839	304,258	1,392,605	2,964,416
EXPENSES:				
Salaries and benefits	61,309	250,712	525,820	1,916,942
Professional and outside services	134,540	59,571	491,782	605,353
Office occupancy and administration	4,350	18,370	48,997	188,124
Data processing	454	5,190	4,421	34,583
Other	<u>14,050</u>	<u>40,395</u>	<u>154,663</u>	<u>346,950</u>
Total expenses	<u>214,703</u>	<u>374,238</u>	<u>1,225,683</u>	<u>3,091,952</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(70,864)	(69,980)	166,922	(127,536)
INCOME TAX EXPENSE (BENEFIT):				
Current	(30,100)	(8,700)	53,285	(7,136)
Deferred	<u>(200)</u>	<u>(1,500)</u>	<u>(14,200)</u>	<u>(22,300)</u>
Total income tax expense (benefit)	<u>(30,300)</u>	<u>(10,200)</u>	<u>39,085</u>	<u>(29,436)</u>
NET INCOME (LOSS)	(40,564)	(59,780)	127,837	(98,100)
RETAINED EARNINGS - BEGINNING OF THE PERIOD	<u>304,968</u>	<u>236,116</u>	<u>136,567</u>	<u>274,436</u>
RETAINED EARNINGS - END OF THE PERIOD	<u>\$264,404</u>	<u>\$176,336</u>	<u>\$264,404</u>	<u>\$176,336</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	August 31,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,181,634	\$374,485	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	3,875	65,222	
Accrued interest and other	123,833	1,196,117	50,217
Total receivables	127,708	1,261,339	50,217
SECURITIES OWNED, at market value	3,012,969	2,899,517	1,983,600
OTHER ASSETS	79,977	147,542	19,746
TOTAL	<u>\$4,402,288</u>	<u>\$4,682,883</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$123,814	\$64,552	
Payable to customers and broker/dealers		26,870	
Accounts payable and accrued expenses	114,328	413,729	\$103,433
Income taxes payable	14,400	1,396	
Total liabilities	252,542	506,547	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	264,404	176,336	136,567
Total stockholder's equity	4,149,746	4,176,336	4,021,909
TOTAL	<u>\$4,402,288</u>	<u>\$4,682,883</u>	<u>\$4,125,342</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
August 31, 1998

OWNERSHIP EQUITY		\$ 4,149,746
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,181,634	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,181,634</u>	
A/R, I/M fees	3,250	
A/R, Securities lending fee	0	
A/R, other	90,722	
Prepaid expenses	12,488	
Furniture and equipment	4,489	
Current and deferred income taxes recoverable	<u>68,700</u>	
Total non-allowable assets		<u>(1,361,283)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,750,463
HAIRCUTS ON SECURITIES		<u>(616,033)</u>
NET REGULATORY CAPITAL		2,134,430
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 252,542	
Non-A.I. liability	0	
A.I. liabilities	<u>\$ 252,542</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$252,542 X 12 1/2 % =	\$31,568	
REGULATORY MINIMUM NET CAPITAL (greater of \$100,000 or 12 1/2% of aggregate indebtedness)		<u>100,000</u>
EXCESS NET CAPITAL		<u>\$ 2,034,430</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.12 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$38,669	\$172,920	\$378,239	\$1,772,653
Shared service revenue	91,539	151,450	971,879	1,348,209
Net income from securities owned	17,985	21,486	190,680	189,410
Total revenue	148,193	345,856	1,540,798	3,310,272
EXPENSES:				
Salaries and benefits	51,269	209,019	577,088	2,125,961
Professional and outside services	16,118	111,757	507,900	717,110
Office occupancy and administration	6,042	17,353	55,039	205,478
Data processing	498	5,949	4,918	40,532
Other	35,551	61,252	190,216	408,201
Total expenses	109,478	405,330	1,335,161	3,497,282
NET INCOME (LOSS) BEFORE INCOME TAXES	38,715	(59,474)	205,637	(187,010)
INCOME TAX EXPENSE (BENEFIT):				
Current	17,700	(63,300)	70,985	(70,436)
Deferred	(400)	18,400	(14,600)	(3,900)
Total income tax expense (benefit)	17,300	(44,900)	56,385	(74,336)
NET INCOME (LOSS)	21,415	(14,574)	149,252	(112,674)
RETAINED EARNINGS - BEGINNING OF THE PERIOD	264,404	176,336	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	<u>\$285,819</u>	<u>\$161,762</u>	<u>\$285,819</u>	<u>\$161,762</u>

Note: Presentations of financial results for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	<u>September 30,</u>		<u>December 31,</u>
	<u>1998</u>	<u>1997</u>	<u>1997</u>
ASSETS			
CASH	\$1,163,677	\$349,100	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	14,484	56,026	
Accrued interest and other	<u>103,734</u>	<u>181,336</u>	<u>50,217</u>
Total receivables	118,218	237,362	50,217
SECURITIES OWNED, at market value	3,010,469	3,852,229	1,983,600
OTHER ASSETS	<u>68,669</u>	<u>258,672</u>	<u>19,746</u>
TOTAL	<u>\$4,361,033</u>	<u>\$4,697,363</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$15,797	\$63,701	
Payable to customers and broker/dealers		24,658	
Accounts payable and accrued expenses	156,675	447,242	\$103,433
Income taxes payable	<u>17,400</u>		
Total liabilities	189,872	535,601	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	<u>285,819</u>	<u>161,762</u>	<u>136,567</u>
Total stockholder's equity	4,171,161	4,161,762	4,021,909
TOTAL	<u>\$4,361,033</u>	<u>\$4,697,363</u>	<u>\$4,125,342</u>

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
September 30, 1998

OWNERSHIP EQUITY		\$ 4,171,161
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,163,677	
Less normal cash operating balance	<u>0</u>	
Non-allowable cash	1,163,677	
A/R, I/M fees	3,250	
A/R, Securities lending fee	0	
A/R, other	91,539	
Prepaid expenses	15,629	
Furniture and equipment	4,340	
Current and deferred income taxes recoverable	<u>48,700</u>	
Total non-allowable assets		<u>(1,327,135)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,806,026
HAIRCUTS ON SECURITIES		<u>(614,221)</u>
NET REGULATORY CAPITAL		2,191,805
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 189,872	
Non-A.I. liability	<u>0</u>	
A.I. liabilities	<u>\$ 189,872</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$189,872 X 12 1/2 % =	\$23,734	
REGULATORY MINIMUM NET CAPITAL		<u>100,000</u>
(greater of \$100,000 or 12 1/2% of aggregate indebtedness)		
EXCESS NET CAPITAL		<u>\$ 2,091,805</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.09 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended October 31,		Ten Months Ended October 31,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$71,848	\$174,676	\$450,086	\$1,947,329
Shared service revenue	94,758	234,781	1,066,638	1,582,991
Net income from securities owned	21,942	23,454	212,622	212,864
Total revenue	188,548	432,911	1,729,346	3,743,184
EXPENSES:				
Salaries and benefits	57,941	215,853	635,029	2,341,814
Professional and outside services	55,381	90,114	563,281	807,225
Office occupancy and administration	6,103	19,586	61,141	225,064
Data processing	448	3,240	5,366	43,772
Other	18,768	51,613	208,985	459,814
Total expenses	138,641	380,406	1,473,802	3,877,689
NET INCOME (LOSS) BEFORE INCOME TAXES	49,907	52,505	255,544	(134,505)
INCOME TAX EXPENSE (BENEFIT):				
Current	22,600	41,200	93,585	(29,236)
Deferred	(300)	(8,500)	(14,900)	(12,400)
Total income tax expense (benefit)	22,300	32,700	78,685	(41,636)
NET INCOME (LOSS)	27,607	19,805	176,859	(92,869)
RETAINED EARNINGS - BEGINNING OF THE PERIOD	285,819	161,762	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	\$313,426	\$181,567	\$313,426	\$181,567

Note: Presentations of financial results for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective October 31, 1997.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	October 31,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,218,514	\$375,596	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	9,442	55,955	
Accrued interest and other	114,725	280,666	50,217
Total receivables	124,167	336,621	50,217
SECURITIES OWNED, at market value	3,012,555	3,804,405	1,983,600
OTHER ASSETS	49,870	221,566	19,746
TOTAL	\$4,405,106	\$4,738,188	\$4,125,342
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$15,870	\$64,443	
Payable to customers and broker/dealers		24,748	
Accounts payable and accrued expenses	169,268	466,034	\$103,433
Income taxes payable	21,200	1,396	
Total liabilities	206,338	556,621	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	4,000,000	85,342
Paid-in capital	3,800,000		3,800,000
Retained earnings	313,426	181,567	136,567
Total stockholder's equity	4,198,768	4,181,567	4,021,909
TOTAL	\$4,405,106	\$4,738,188	\$4,125,342

Note: Presentations of financial condition for 1997 include Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective January 1, 1998.

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
October 31, 1998

OWNERSHIP EQUITY		\$ 4,198,768
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,218,514	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,218,514</u>	
A/R, I/M fees	3,250	
A/R, Securities lending fee	0	
A/R, other	94,758	
Prepaid expenses	15,479	
Furniture and equipment	4,191	
Current and deferred income taxes recoverable	<u>30,200</u>	
Total non-allowable assets		<u>(1,366,392)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,794,376
HAIRCUTS ON SECURITIES		<u>(411,072)</u>
NET REGULATORY CAPITAL		2,383,304
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 206,338	
Non-A.I. liability	0	
A.I. liabilities	<u>\$ 206,338</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$206,338 X 12 1/2 % =	\$25,792	
REGULATORY MINIMUM NET CAPITAL		<u>100,000</u>
(greater of \$100,000 or 12 1/2% of aggregate indebtedness)		
EXCESS NET CAPITAL		<u>\$ 2,283,304</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.09 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended November 30,		Eleven Months Ended November 30,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$34,385		\$484,471	\$1,947,329
Shared service revenue	105,620		1,172,258	1,582,991
Net income from securities owned	19,699	3,239	232,321	216,103
Total revenue	159,704	3,239	1,889,050	3,746,423
EXPENSES:				
Salaries and benefits	48,348		683,377	2,341,814
Professional and outside services	29,499	3,976	592,780	811,201
Office occupancy and administration	5,320	276	66,461	225,340
Data processing	454		5,820	43,772
Other	14,299	5,494	223,284	465,308
Total expenses	97,920	9,746	1,571,722	3,887,435
NET INCOME (LOSS) BEFORE INCOME TAXES	61,784	(6,507)	317,328	(141,012)
INCOME TAX EXPENSE (BENEFIT):				
Current	27,400		120,985	(29,236)
Deferred	(200)		(15,100)	(12,400)
Total income tax expense (benefit)	27,200		105,885	(41,636)
NET INCOME (LOSS)	34,584	(6,507)	211,443	(99,376)
RETAINED EARNINGS - BEGINNING OF THE PERIOD	313,426	181,567	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	\$348,010	\$175,060	\$348,010	\$175,060

Note: Presentations of 1997 include ten months of the financial results of Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective October 31, 1997.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	November 30,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$291,079	\$2,083,422	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	3,250		
Accrued interest and other	138,920		50,217
Total receivables	142,170		50,217
SECURITIES OWNED, at market value	4,011,005	1,974,475	1,983,600
OTHER ASSETS	34,470	2,505	19,746
TOTAL	\$4,478,724	\$4,060,402	\$4,125,342
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$15,560		
Payable to customers and broker/dealers			
Accounts payable and accrued expenses	196,512		\$103,433
Income taxes payable	33,300		
Total liabilities	245,372		103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	85,342	85,342
Paid-in capital	3,800,000	3,800,000	3,800,000
Retained earnings	348,010	175,060	136,567
Total stockholder's equity	4,233,352	4,060,402	4,021,909
TOTAL	\$4,478,724	\$4,060,402	\$4,125,342

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
November 30, 1998

OWNERSHIP EQUITY		\$ 4,233,352
NON-ALLOWABLE ASSETS:		
Cash	\$ 291,079	
Less normal cash operating balance	<u>0</u>	
Non-allowable cash	291,079	
A/R, I/M fees	3,250	
A/R, Securities lending fee	0	
A/R, other	108,870	
Prepaid expenses	15,329	
Furniture and equipment	4,041	
Current and deferred income taxes recoverable	<u>15,100</u>	
Total non-allowable assets		<u>(437,669)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		3,757,683
HAIRCUTS ON SECURITIES		<u>(396,552)</u>
NET REGULATORY CAPITAL		3,361,131
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 245,372	
Non-A.I. liability	<u>0</u>	
A.I. liabilities	<u>\$ 245,372</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$245,372 X 12 1/2 % =	\$30,672	
REGULATORY MINIMUM NET CAPITAL (greater of \$100,000 or 12 1/2% of aggregate indebtedness)		<u>100,000</u>
EXCESS NET CAPITAL		<u>\$ 3,261,131</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.07 to 1</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

	One Month Ended December 31,		Year Ended December 31,	
	1998	1997	1998	1997
REVENUE:				
Client revenue	\$30,999		\$515,470	\$1,947,329
Shared service revenue	43,785		1,216,043	1,582,991
Net income from securities owned	17,490	18,861	249,811	234,964
Total revenue	92,274	18,861	1,981,324	3,765,284
EXPENSES:				
Salaries and benefits	21,957	9,672	705,334	2,351,486
Professional and outside services	87,540	44,873	680,320	856,074
Office occupancy and administration	6,064		72,525	225,340
Data processing	448		6,268	43,772
Other	14,849	2,809	238,133	468,117
Total expenses	130,858	57,354	1,702,580	3,944,789
NET INCOME (LOSS) BEFORE INCOME TAXES	(38,584)	(38,493)	278,744	(179,505)
INCOME TAX EXPENSE (BENEFIT):				
Current	(24,900)		96,085	(29,236)
Deferred	7,500		(7,600)	(12,400)
Total income tax expense (benefit)	(17,400)		88,485	(41,636)
NET INCOME (LOSS)	(21,184)	(38,493)	190,259	(137,869)
RETAINED EARNINGS - BEGINNING OF THE PERIOD	348,010	175,060	136,567	274,436
RETAINED EARNINGS - END OF THE PERIOD	<u>\$326,826</u>	<u>\$136,567</u>	<u>\$326,826</u>	<u>\$136,567</u>

Note: Presentations of 1997 include ten months of the financial results of Corporate Network Brokerage Services, Inc. (CNBS), a wholly-owned subsidiary of U.S. Central Capital Markets, Inc., during 1997. CNBS was divested effective October 31, 1997.

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION (unaudited)

	December 31,		December 31,
	1998	1997	1997
ASSETS			
CASH	\$1,274,730	\$2,071,779	\$2,071,779
RECEIVABLES:			
Customers and broker/dealers	3,250		
Accrued interest and other	177,994	50,217	50,217
Total receivables	181,244	50,217	50,217
SECURITIES OWNED, at market value	3,011,094	1,983,600	1,983,600
OTHER ASSETS	35,971	19,746	19,746
TOTAL	<u>\$4,503,039</u>	<u>\$4,125,342</u>	<u>\$4,125,342</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Due to affiliate	\$110,346		
Payable to customers and broker/dealers			
Accounts payable and accrued expenses	158,925	103,433	\$103,433
Income taxes payable	21,600		
Total liabilities	290,871	103,433	103,433
STOCKHOLDER'S EQUITY:			
Common stock, no par value, \$42.67 per share stated value, 2,000 shares issued and outstanding	85,342	85,342	85,342
Paid-in capital	3,800,000	3,800,000	3,800,000
Retained earnings	326,826	136,567	136,567
Total stockholder's equity	4,212,168	4,021,909	4,021,909
TOTAL	<u>\$4,503,039</u>	<u>\$4,125,342</u>	<u>\$4,125,342</u>

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)
December 31, 1998

OWNERSHIP EQUITY		\$ 4,212,168
NON-ALLOWABLE ASSETS:		
Cash	\$ 1,274,730	
Less normal cash operating balance	0	
Non-allowable cash	<u>1,274,730</u>	
A/R, I/M fees	3,250	
A/R, Securities lending fee	0	
A/R, other	135,153	
Prepaid expenses	11,279	
Furniture and equipment	3,892	
Current and deferred income taxes recoverable	<u>20,800</u>	
Total non-allowable assets		<u>(1,449,104)</u>
DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE		<u>(38,000)</u>
NET CAPITAL BEFORE HAIRCUTS		2,725,064
HAIRCUTS ON SECURITIES		<u>(616,182)</u>
NET REGULATORY CAPITAL		2,108,882
AGGREGATE INDEBTEDNESS (A.I.):		
Total liabilities	\$ 290,871	
Non-A.I. liability	0	
A.I. liabilities	<u>\$ 290,871</u>	
CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT:		
\$290,871 X 12 1/2 % =	\$36,359	
REGULATORY MINIMUM NET CAPITAL		<u>100,000</u>
(greater of \$100,000 or 12 1/2% of aggregate indebtedness)		
EXCESS NET CAPITAL		<u>\$ 2,008,882</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0.14 to 1</u>