

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS (unaudited)

| | One Month Ended January 31, | |
|--|--------------------------------|-----------------|
| | 1999 | 1998 |
| REVENUE: | | |
| Client revenue | \$83,298 | \$36,844 |
| Shared service revenue | 62,500 | 137,216 |
| Net income from securities owned | <u>16,395</u> | <u>19,056</u> |
| Total revenue | 162,193 | 193,116 |
| EXPENSES: | | |
| Salaries and benefits | 51,083 | 66,992 |
| Professional and outside services | 48,973 | 25,530 |
| Office occupancy and administration | 4,561 | 833 |
| Data processing | 486 | 500 |
| Other | <u>8,963</u> | <u>18,951</u> |
| Total expenses | <u>114,066</u> | <u>112,806</u> |
| NET INCOME BEFORE INCOME TAXES | 48,127 | 80,310 |
| INCOME TAX EXPENSE (BENEFIT): | | |
| Current | 9,800 | 18,500 |
| Deferred | <u>(8,000)</u> | <u>(24,600)</u> |
| Total income tax expense (benefit) | <u>1,800</u> | <u>(6,100)</u> |
| NET INCOME | 46,327 | 86,410 |
| RETAINED EARNINGS - BEGINNING OF THE PERIOD | <u>145,259</u> | <u>(45,000)</u> |
| RETAINED EARNINGS - END OF THE PERIOD | <u>\$191,586</u> | <u>\$41,410</u> |

U.S. CENTRAL CAPITAL MARKETS, INC.

STATEMENTS OF FINANCIAL CONDITION

| | January 31, | | December 31, |
|---|--------------------|--------------------|--------------------|
| | 1999 | 1998 | 1998 |
| | (unaudited) | | (audited) |
| ASSETS | | | |
| CASH | \$1,320,237 | \$1,044,532 | \$1,274,730 |
| RECEIVABLES: | | | |
| Customers and broker/dealers | 10,219 | 4,891 | 3,250 |
| Accrued interest and other | 115,172 | 189,989 | 177,994 |
| Total receivables | 125,391 | 194,880 | 181,244 |
| SECURITIES OWNED, at market value | 3,007,188 | 2,993,344 | 3,011,094 |
| OTHER ASSETS | 36,722 | 45,964 | 35,971 |
| TOTAL | \$4,489,538 | \$4,278,720 | \$4,503,039 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | | |
| LIABILITIES: | | | |
| Due to affiliate | \$38,475 | \$19,912 | \$110,346 |
| Payable to customers and broker/dealers | | | |
| Accounts payable and accrued expenses | 168,167 | 131,989 | 158,925 |
| Income taxes payable | 24,401 | 18,500 | 21,600 |
| Total liabilities | 231,043 | 170,401 | 290,871 |
| STOCKHOLDER'S EQUITY: | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 191,586 | 41,410 | 145,259 |
| Total stockholder's equity | 4,258,495 | 4,108,319 | 4,212,168 |
| TOTAL | \$4,489,538 | \$4,278,720 | \$4,503,039 |

U.S. CENTRAL CAPITAL MARKETS, INC.

NET CAPITAL COMPUTATION (unaudited)

January 31, 1999

| | | |
|--|-------------------|---------------------|
| OWNERSHIP EQUITY | | \$ 4,258,495 |
| NON-ALLOWABLE ASSETS: | | |
| Cash | \$ 1,320,237 | |
| Less normal cash operating balance | 0 | |
| Non-allowable cash | <u>1,320,237</u> | |
| A/R, I/M fees | 3,250 | |
| A/R, Securities lending fee | 0 | |
| A/R, other | 62,500 | |
| Prepaid expenses | 11,180 | |
| Furniture and equipment | 3,743 | |
| Current and deferred income taxes recoverable | <u>21,800</u> | |
| Total non-allowable assets | | <u>(1,422,710)</u> |
| DEDUCTION FOR EXCESS INSURANCE DEDUCTIBLE | | <u>(38,000)</u> |
| NET CAPITAL BEFORE HAIRCUTS | | 2,797,785 |
| HAIRCUTS ON SECURITIES | | <u>(613,668)</u> |
| NET REGULATORY CAPITAL | | 2,184,117 |
| AGGREGATE INDEBTEDNESS (A.I.): | | |
| Total liabilities | \$ 231,043 | |
| Non-A.I. liability | 0 | |
| A.I. liabilities | <u>\$ 231,043</u> | |
| CALCULATION OF MINIMUM NET CAPITAL REQUIREMENT: | | |
| \$231,043 X 6 2/3 % = | \$15,411 | |
| REGULATORY MINIMUM NET CAPITAL | | <u>100,000</u> |
| (greater of \$100,000 or 6 2/3% of aggregate indebtedness) | | |
| EXCESS NET CAPITAL | | <u>\$ 2,084,117</u> |
| RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL | | <u>0.11 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, | |
|--|---------------------------------|------------------|----------------------------------|------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 43,893 | \$ 41,720 | \$ 127,191 | \$ 78,564 |
| Shared service revenue | 62,500 | 139,578 | 125,000 | 276,794 |
| Net income from securities owned | 17,330 | 19,340 | 33,725 | 38,397 |
| Total Revenue | 123,723 | 200,638 | 285,916 | 393,755 |
| Expenses | | | | |
| Salaries and benefits | 55,834 | 63,768 | 106,917 | 130,760 |
| Professional and outside services | 46,616 | 30,873 | 95,589 | 56,404 |
| Office occupancy and administration | 5,090 | 6,777 | 9,651 | 7,610 |
| Data processing | 704 | 603 | 1,190 | 1,103 |
| Other | 5,706 | 14,840 | 14,669 | 33,791 |
| Total Expenses | 113,950 | 116,861 | 228,016 | 229,668 |
| Net Income Before Income Taxes | 9,773 | 83,777 | 57,900 | 164,087 |
| Income Tax Expense (Benefit): | | | | |
| Current | 3,000 | 35,300 | 12,800 | 53,800 |
| Deferred | (300) | (300) | (8,300) | (24,900) |
| Total Income Tax Expense (benefit) | 2,700 | 35,000 | 4,500 | 28,900 |
| Net Income | 7,073 | 48,777 | 53,400 | 135,187 |
| Retained Earnings - Beginning of the Period | 191,586 | 41,410 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 198,659 | \$ 90,187 | \$ 198,659 | \$ 90,187 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition

| | February 28, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 (unaudited) | 1998 | 1998 (audited) |
| Assets | | | |
| Cash | \$ 1,316,150 | \$ 1,990,342 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 16,994 | 14,645 | 3,250 |
| Accrued interest and other | 92,056 | 359,061 | 177,994 |
| Total receivables | 109,050 | 373,706 | 181,244 |
| Securities owned, at market value | 3,006,767 | 4,001,796 | 3,011,094 |
| Other assets | 34,673 | 42,793 | 35,971 |
| Total Assets | \$ 4,466,640 | \$ 6,408,637 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 49,851 | \$ 27,939 | \$ 110,346 |
| Payable to customers and broker/dealers | | 1,029,615 | |
| Accounts payable and accrued expenses | 126,021 | 1,140,187 | 158,925 |
| Income taxes payable | 25,200 | 53,800 | 21,600 |
| Total Liabilities | 201,072 | 2,251,541 | 290,871 |
| Stockholder's Equity: | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 198,659 | 90,187 | 145,259 |
| Total Stockholder's Equity | 4,265,568 | 4,157,096 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,466,640 | \$ 6,408,637 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited) February 28, 1999

| | | |
|--|-------------------|---------------------|
| Ownership Equity | | \$ 4,265,568 |
| Non-Allowable Assets: | | |
| Cash | \$ 1,316,150 | |
| Less normal cash operating balance | <u>0</u> | |
| Non-allowable cash | 1,316,150 | |
| A/R, Investment Advisory Fees | 9,250 | |
| A/R, Securities lending fee | 0 | |
| A/R, other | 62,500 | |
| Prepaid expenses | 11,180 | |
| Furniture and equipment | 3,594 | |
| Current and deferred income taxes recoverable | <u>19,900</u> | |
| Total non-allowable assets | | <u>(1,422,574)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts | | 2,804,994 |
| Haircuts on Securities | | <u>(411,054)</u> |
| Net Regulatory Capital | | 2,393,940 |
| Aggregate Indebtedness (A.I.): | | |
| Total liabilities | \$ 201,072 | |
| Non-A.I. liability | <u>0</u> | |
| A.I. liabilities | <u>\$ 201,072</u> | |
| Calculation of Minimum Net Capital Requirement: | | |
| \$201,072 X 6 2/3 % = | \$13,405 | |
| Regulatory Minimum Net Capital (greater of \$100,000 or 6 2/3% of aggregate indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,293,940</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 March 31, | | Three Months Ended March 31, | |
|--|------------------------------|-------------------|---------------------------------|-------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 37,531 | \$ 39,277 | \$ 164,722 | \$ 117,841 |
| Shared service revenue | 62,500 | 156,348 | 187,500 | 433,142 |
| Net income from securities owned | 20,758 | 18,222 | 54,483 | 56,619 |
| Total Revenue | 120,789 | 213,847 | 406,705 | 607,602 |
| Expenses | | | | |
| Salaries and benefits | 53,829 | 49,622 | 160,746 | 180,382 |
| Professional and outside services | 55,466 | 104,428 | 151,055 | 160,832 |
| Office occupancy and administration | 5,698 | 5,803 | 15,349 | 13,413 |
| Data processing | 526 | 498 | 1,716 | 1,601 |
| Other | 12,771 | 25,374 | 27,440 | 59,165 |
| Total Expenses | 128,290 | 185,725 | 356,306 | 415,393 |
| Net Income Before Income Taxes | (7,501) | 28,122 | 50,399 | 192,209 |
| Income Tax Expense (Benefit): | | | | |
| Current | (1,400) | 12,900 | 11,400 | 66,700 |
| Deferred | (300) | | (8,600) | (24,900) |
| Total Income Tax Expense (benefit) | (1,700) | 12,900 | 2,800 | 41,800 |
| Net Income | (5,801) | 15,222 | 47,599 | 150,409 |
| Retained Earnings - Beginning of the Period | 198,659 | 90,187 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 192,858 | \$ 105,409 | \$ 192,858 | \$ 105,409 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition

| | March 31, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 (unaudited) | 1998 | 1998 (audited) |
| Assets | | | |
| Cash | \$ 1,328,438 | \$ 1,284,066 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 9,250 | 5,000 | 3,250 |
| Accrued interest and other | 66,603 | 162,248 | 177,994 |
| Total receivables | 75,853 | 167,248 | 181,244 |
| Securities owned, at market value | 3,011,547 | 2,997,969 | 3,011,094 |
| Other assets | 35,924 | 42,536 | 35,971 |
| Total Assets | \$ 4,451,762 | \$ 4,491,819 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 40,554 | \$ 101,946 | \$ 110,346 |
| Payable to customers and broker/dealers | | | |
| Accounts payable and accrued expenses | 126,541 | 150,855 | 158,925 |
| Income taxes payable | 24,900 | 66,700 | 21,600 |
| Total Liabilities | 191,995 | 319,501 | 290,871 |
| Stockholder's Equity: | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 192,858 | 105,409 | 145,259 |
| Total Stockholder's Equity | 4,259,767 | 4,172,318 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,451,762 | \$ 4,491,819 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited) March 31, 1999

| | | |
|--|-------------------|---------------------|
| Ownership Equity | | \$ 4,259,767 |
| Non-Allowable Assets: | | |
| Cash | \$ 1,328,438 | |
| A/R, Investment Advisory Fees | 9,250 | |
| A/R, other | 62,881 | |
| Prepaid expenses | 11,180 | |
| Furniture and equipment | 3,444 | |
| Current and deferred income taxes recoverable | 21,300 | |
| Total non-allowable assets | | <u>(1,436,493)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts | | 2,785,274 |
| Haircuts on Securities | | <u>(411,314)</u> |
| Net Regulatory Capital | | 2,373,960 |
| Aggregate Indebtedness (A.I.): | | |
| Total liabilities | \$ 191,995 | |
| Non-A.I. liability | 0 | |
| A.I. liabilities | <u>\$ 191,995</u> | |
| Calculation of Minimum Net Capital Requirement: | | |
| \$191,995 X 6 2/3 % = | \$12,800 | |
| Regulatory Minimum Net Capital (greater of \$100,000 or 6 2/3% of aggregate indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,273,960</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 | | Four Months Ended | |
|---------------------------------------|-----------------|----------------|-------------------|----------------|
| | April 30, | | April 30, | |
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 62,499 | \$ 53,336 | \$ 227,221 | \$ 171,177 |
| Share service revenue | 62,500 | 82,091 | 250,000 | 515,233 |
| Net income from securities owned | 17,348 | 25,205 | 71,831 | 81,824 |
| Total Revenue | 142,347 | 160,632 | 549,052 | 768,234 |
| Expenses | | | | |
| Salaries and benefits | 53,083 | 82,656 | 213,829 | 263,038 |
| Professional and outside services | 41,242 | 38,235 | 192,297 | 199,067 |
| Office occupancy and administration | 5,217 | 7,151 | 20,566 | 20,564 |
| Data processing | 450 | 497 | 2,166 | 2,098 |
| Other | 6,102 | 29,879 | 33,542 | 89,044 |
| Total Expenses | 106,094 | 158,418 | 462,400 | 573,811 |
| Net Income Before Income Taxes | 36,253 | 2,214 | 86,652 | 194,423 |
| Income Tax Expense (Benefit) | | | | |
| Current | 5,500 | (16,749) | 16,900 | 49,951 |
| Deferred | 7,200 | 23,600 | (1,400) | (1,300) |
| Total Income Tax Expense | 12,700 | 6,851 | 15,500 | 48,651 |
| Net Income (Loss) | 23,553 | (4,637) | 71,152 | 145,772 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | April 30, | |
|---|---------------------|---------------------|
| | 1999 | 1998 |
| Assets | | |
| Cash | \$ 1,235,260 | \$ 1,211,568 |
| Receivables: | | |
| Customers and broker/dealers | 4,003 | 5,532 |
| Accrued interest and other | 72,289 | 111,607 |
| | <hr/> | <hr/> |
| Total receivables | 76,292 | 117,139 |
| Securities owned, at market value | 3,005,286 | 3,002,775 |
| Other assets | 35,359 | 20,146 |
| | <hr/> | <hr/> |
| Total Assets | \$ 4,352,197 | \$ 4,351,628 |
| Liabilities and Stockholder's Equity | | |
| Liabilities: | | |
| Due to affiliate | \$ 38,726 | \$ 26,777 |
| Payable to customers and broker/dealers | - | - |
| Accounts payable and accrued expenses | 26,396 | 141,970 |
| Income taxes payable | 3,755 | 15,200 |
| | <hr/> | <hr/> |
| Total Liabilities | 68,877 | 183,947 |
| Stockholder's Equity | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 |
| Retained earnings | 216,411 | 100,772 |
| | <hr/> | <hr/> |
| Total Stockholder's Equity | 4,283,320 | 4,167,681 |
| | <hr/> | <hr/> |
| Total Liabilities and Stockholder's Equity | \$ 4,352,197 | \$ 4,351,628 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

April 30, 1999

| | | |
|--|-----------------|---------------------|
| Ownership Equity | | \$ 4,283,320 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,235,260 | |
| Accounts receivable, investment advisory fees | 4,003 | |
| Accounts receivable, other | 63,400 | |
| Prepaid expenses | 11,180 | |
| Furniture and equipment | 3,295 | |
| Current and deferred income taxes recoverable | 20,885 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,338,023)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 2,907,297 |
| Haircuts on Securities | | <u>(409,098)</u> |
| Net Regulatory Capital | | 2,498,199 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 68,877 | |
| Liabilities excluded from aggregate indebtedness | | |
| Total Aggregate Indebtedness | <u>68,877</u> | |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ <u>4,592</u> | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,398,199</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.03 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, | |
|--|----------------------------|-------------------|------------------------------|-------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 28,974 | \$ 29,439 | \$ 256,195 | \$ 200,616 |
| Share service revenue | 62,500 | 88,412 | 312,500 | 603,645 |
| Net income from securities owned | 15,301 | 17,486 | 87,132 | 99,310 |
| Total Revenue | 106,775 | 135,337 | 655,827 | 903,571 |
| Expenses | | | | |
| Salaries and benefits | 55,223 | 50,720 | 269,052 | 313,758 |
| Professional and outside services | 41,644 | 37,710 | 233,941 | 236,777 |
| Office occupancy and administration | 5,611 | 5,606 | 26,177 | 26,170 |
| Data processing | 317 | 886 | 2,483 | 2,984 |
| Other | 4,468 | 35,641 | 38,010 | 124,685 |
| Total Expenses | 107,263 | 130,563 | 569,663 | 704,374 |
| Net Income (Loss) Before Income Taxes | (488) | 4,774 | 86,164 | 199,197 |
| Income Tax Expense (Benefit) | | | | |
| Current | 300 | 2,634 | 17,200 | 52,585 |
| Deferred | (300) | (300) | (1,700) | (1,600) |
| Total Income Tax Expense | - | 2,334 | 15,500 | 50,985 |
| Net Income (Loss) | (488) | 2,440 | 70,664 | 148,212 |
| Retained Earnings - Beginning of the Period | 216,411 | 100,772 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 215,923 | \$ 103,212 | \$ 215,923 | \$ 103,212 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | May 31, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,232,512 | \$ 1,202,735 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 4,003 | 4,359 | 3,250 |
| Accrued interest and other | 76,556 | 104,651 | 177,994 |
| Total receivables | 80,559 | 109,010 | 181,244 |
| Securities owned, at market value | 3,004,966 | 3,000,000 | 3,011,094 |
| Other assets | 35,324 | 24,282 | 35,971 |
| Total Assets | \$ 4,353,361 | \$ 4,336,027 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 38,823 | \$ 35,697 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 27,851 | 112,109 | 158,925 |
| Income taxes payable | 3,855 | 18,100 | 21,600 |
| Total Liabilities | 70,529 | 165,906 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 215,923 | 103,212 | 145,259 |
| Total Stockholder's Equity | 4,282,832 | 4,170,121 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,353,361 | \$ 4,336,027 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

May 31, 1999

| | | |
|--|----|---------------------|
| Ownership Equity | | \$ 4,282,832 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ | 1,232,512 |
| Accounts receivable, investment advisory fees | | 4,003 |
| Accounts receivable, other | | 62,500 |
| Prepaid expenses | | 11,193 |
| Furniture and equipment | | 3,146 |
| Current and deferred income taxes recoverable | | 20,985 |
| Other | | - |
| | | <hr/> |
| Total Non-Allowable Assets | | <u>(1,334,339)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 2,910,493 |
| Haircuts on Securities | | <u>(408,135)</u> |
| Net Regulatory Capital | | 2,502,358 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ | 70,529 |
| Liabilities excluded from aggregate indebtedness | | <hr/> |
| | | <hr/> |
| Total Aggregate Indebtedness | | <u>70,529</u> |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ | <u>4,702</u> |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,402,358</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.03 to 1</u> |

U.S. Central Capital Markets, Inc.

Statements of Income and Changes in Retained Earnings (unaudited)

| | One Month Ended | | Six Months Ended | |
|--|-------------------|-------------------|-------------------|-------------------|
| | June 30, | | June 30, | |
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 63,903 | \$ 32,956 | \$ 320,098 | \$ 233,573 |
| Share service revenue | 62,500 | 92,033 | 375,000 | 695,678 |
| Net income from securities owned | 12,629 | 22,488 | 99,761 | 121,799 |
| Total Revenue | 139,032 | 147,477 | 794,859 | 1,051,050 |
| Expenses | | | | |
| Salaries and benefits | 56,596 | 90,735 | 325,648 | 404,494 |
| Professional and outside services | 40,245 | 25,288 | 274,186 | 262,066 |
| Office occupancy and administration | 5,973 | 10,224 | 32,150 | 36,394 |
| Data processing | 686 | 497 | 3,169 | 3,480 |
| Other | 5,279 | 19,961 | 43,289 | 144,647 |
| Total Expenses | 108,779 | 146,705 | 678,442 | 851,081 |
| Net Income Before Income Taxes | 30,253 | 772 | 116,417 | 199,969 |
| Income Tax Expense (Benefit) | | | | |
| Current | 16,100 | 13,800 | 33,300 | 66,385 |
| Deferred | (300) | (12,000) | (2,000) | (13,600) |
| Total Income Tax Expense | 15,800 | 1,800 | 31,300 | 52,785 |
| Net Income (Loss) | 14,453 | (1,028) | 85,117 | 147,184 |
| Retained Earnings - Beginning of the Period | 215,923 | 103,212 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 230,376 | \$ 102,184 | \$ 230,376 | \$ 102,184 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | June 30, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,242,255 | \$ 1,184,023 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 10,164 | 5,922 | 3,250 |
| Accrued interest and other | 81,722 | 110,878 | 177,994 |
| Total receivables | 91,886 | 116,800 | 181,244 |
| Securities owned, at market value | 2,997,626 | 3,000,344 | 3,011,094 |
| Other assets | 48,448 | 73,128 | 35,971 |
| Total Assets | \$ 4,380,215 | \$ 4,374,295 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 39,540 | \$ 34,542 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 37,235 | 154,060 | 158,925 |
| Income taxes payable | 6,155 | 16,600 | 21,600 |
| Total Liabilities | 82,930 | 205,202 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 230,376 | 102,184 | 145,259 |
| Total Stockholder's Equity | 4,297,285 | 4,169,093 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,380,215 | \$ 4,374,295 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

June 30, 1999

| | | |
|--|--------------|---------------------|
| Ownership Equity | | \$ 4,297,285 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,242,255 | |
| Accounts receivable, investment advisory fees | 4,003 | |
| Accounts receivable, other | 62,500 | |
| Prepaid expenses | 10,468 | |
| Furniture and equipment | 2,997 | |
| Current and deferred income taxes recoverable | 34,985 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,357,208)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 2,902,077 |
| Haircuts on Securities | | <u>(406,609)</u> |
| Net Regulatory Capital | | 2,495,468 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 82,930 | |
| Liabilities excluded from aggregate indebtedness | | |
| Total Aggregate Indebtedness | | <u>82,930</u> |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ 5,529 | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,395,468</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.03 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, | |
|--|-----------------------------|-------------------|--------------------------------|-------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 76,109 | \$ 80,555 | \$ 396,207 | \$ 314,128 |
| Share service revenue | 62,500 | 93,940 | 437,500 | 789,618 |
| Net income from securities owned | 21,985 | 23,222 | 121,746 | 145,020 |
| Total Revenue | 160,594 | 197,717 | 955,453 | 1,248,766 |
| Expenses | | | | |
| Salaries and benefits | 54,667 | 60,018 | 380,315 | 464,511 |
| Professional and outside services | 55,940 | 95,177 | 330,126 | 357,242 |
| Office occupancy and administration | 4,992 | 8,253 | 37,142 | 44,647 |
| Data processing | 447 | 486 | 3,616 | 3,966 |
| Other | 6,261 | (4,034) | 49,550 | 140,614 |
| Total Expenses | 122,307 | 159,900 | 800,749 | 1,010,980 |
| Net Income Before Income Taxes | 38,287 | 37,817 | 154,704 | 237,786 |
| Income Tax Expense (Benefit) | | | | |
| Current | 17,600 | 17,000 | 50,900 | 83,385 |
| Deferred | (400) | (400) | (2,400) | (14,000) |
| Total Income Tax Expense | 17,200 | 16,600 | 48,500 | 69,385 |
| Net Income | 21,087 | 21,217 | 106,204 | 168,401 |
| Retained Earnings - Beginning of the Period | 230,376 | 102,184 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 251,463 | \$ 123,401 | \$ 251,463 | \$ 123,401 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | July 31, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,282,415 | \$ 1,204,007 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 5,123 | 3,250 | 3,250 |
| Accrued interest and other | 87,322 | 146,468 | 177,994 |
| Total receivables | 92,445 | 149,718 | 181,244 |
| Securities owned, at market value | 3,000,438 | 3,006,094 | 3,011,094 |
| Other assets | 34,086 | 58,952 | 35,971 |
| Total Assets | \$ 4,409,384 | \$ 4,418,771 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 39,806 | \$ 104,637 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 42,051 | 104,324 | 158,925 |
| Income taxes payable | 9,155 | 19,500 | 21,600 |
| Total Liabilities | 91,012 | 228,461 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 251,463 | 123,401 | 145,259 |
| Total Stockholder's Equity | 4,318,372 | 4,190,310 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,409,384 | \$ 4,418,771 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

July 31, 1999

| | | |
|--|--------------|---------------------|
| Ownership Equity | | \$ 4,318,372 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,282,415 | |
| Accounts receivable, investment advisory fees | 2,418 | |
| Accounts receivable, other | 62,933 | |
| Prepaid expenses | 10,454 | |
| Furniture and equipment | 2,847 | |
| Current and deferred income taxes recoverable | 20,785 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,381,852)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 2,898,520 |
| Haircuts on Securities | | <u>(407,296)</u> |
| Net Regulatory Capital | | 2,491,224 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 91,012 | |
| Liabilities excluded from aggregate indebtedness | | |
| Total Aggregate Indebtedness | | <u>91,012</u> |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ 6,067 | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,391,224</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.04 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, | |
|--|-------------------------------|------------------|----------------------------------|------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 36,484 | \$ 25,442 | \$ 432,691 | \$ 339,569 |
| Share service revenue | 62,500 | 90,722 | 500,000 | 880,340 |
| Net income from securities owned | 14,112 | 27,675 | 135,858 | 172,696 |
| Total Revenue | 113,096 | 143,839 | 1,068,549 | 1,392,605 |
| Expenses | | | | |
| Salaries and benefits | 52,828 | 61,309 | 433,143 | 525,820 |
| Professional and outside services | 43,023 | 134,540 | 373,149 | 491,782 |
| Office occupancy and administration | 5,245 | 4,350 | 42,387 | 48,997 |
| Data processing | 495 | 454 | 4,111 | 4,421 |
| Other | 5,294 | 14,050 | 54,844 | 154,663 |
| Total Expenses | 106,885 | 214,703 | 907,634 | 1,225,683 |
| Net Income (Loss) Before Income Taxes | 6,211 | (70,864) | 160,915 | 166,922 |
| Income Tax Expense (Benefit) | | | | |
| Current | (600) | (30,100) | 50,300 | 53,285 |
| Deferred | (300) | (200) | (2,700) | (14,200) |
| Total Income Tax Expense (Benefit) | (900) | (30,300) | 47,600 | 39,085 |
| Net Income (Loss) | 7,111 | (40,564) | 113,315 | 127,837 |
| Retained Earnings - Beginning of the Period | 251,463 | 123,401 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 258,574 | \$ 82,837 | \$ 258,574 | \$ 82,837 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | August 31, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,392,986 | \$ 1,181,634 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 2,418 | 3,875 | 3,250 |
| Accrued interest and other | 94,576 | 123,833 | 177,994 |
| Total receivables | 96,994 | 127,708 | 181,244 |
| Securities owned, at market value | 2,899,110 | 3,012,969 | 3,011,094 |
| Other assets | 31,437 | 79,977 | 35,971 |
| Total Assets | \$ 4,420,527 | \$ 4,402,288 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 39,551 | \$ 123,814 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 49,738 | 114,328 | 158,925 |
| Income taxes payable | 5,755 | 14,400 | 21,600 |
| Total Liabilities | 95,044 | 252,542 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings (accumulated deficit) | 258,574 | 82,837 | 145,259 |
| Total Stockholder's Equity | 4,325,483 | 4,149,746 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,420,527 | \$ 4,402,288 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

August 31, 1999

| | | |
|--|--------------|---------------------|
| Ownership Equity | | \$ 4,325,483 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,392,986 | |
| Accounts receivable, investment advisory fees | 2,418 | |
| Accounts receivable, other | 62,500 | |
| Prepaid expenses | 10,454 | |
| Furniture and equipment | 2,698 | |
| Current and deferred income taxes recoverable | 18,285 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,489,341)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 2,798,142 |
| Haircuts on Securities | | <u>(589,342)</u> |
| Net Regulatory Capital | | 2,208,800 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 95,044 | |
| Liabilities excluded from aggregate indebtedness | | |
| Total Aggregate Indebtedness | | <u>95,044</u> |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ 6,336 | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,108,800</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.04 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, | |
|--|----------------------------------|-------------------|------------------------------------|-------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 34,100 | \$ 38,669 | \$ 466,791 | \$ 378,239 |
| Share service revenue | 62,500 | 91,539 | 562,500 | 971,879 |
| Net income from securities owned | 31,185 | 17,985 | 167,043 | 190,680 |
| Total Revenue | 127,785 | 148,193 | 1,196,334 | 1,540,798 |
| Expenses | | | | |
| Salaries and benefits | 54,232 | 51,269 | 487,375 | 577,088 |
| Professional and outside services | 63,414 | 16,118 | 436,563 | 507,900 |
| Office occupancy and administration | 5,197 | 6,042 | 47,584 | 55,039 |
| Data processing | 448 | 498 | 4,559 | 4,918 |
| Other | 1,956 | 35,551 | 56,800 | 190,216 |
| Total Expenses | 125,247 | 109,478 | 1,032,881 | 1,335,161 |
| Net Income Before Income Taxes | 2,538 | 38,715 | 163,453 | 205,637 |
| Income Tax Expense (Benefit) | | | | |
| Current | 1,600 | 17,700 | 51,900 | 70,985 |
| Deferred | (300) | (400) | (3,000) | (14,600) |
| Total Income Tax Expense | 1,300 | 17,300 | 48,900 | 56,385 |
| Net Income | 1,238 | 21,415 | 114,553 | 149,252 |
| Retained Earnings - Beginning of the Period | 258,574 | 82,837 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 259,812 | \$ 104,252 | \$ 259,812 | \$ 104,252 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | September 30, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,060,122 | \$ 1,163,677 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 2,418 | 14,484 | 3,250 |
| Accrued interest and other | 77,673 | 103,734 | 177,994 |
| Total receivables | 80,091 | 118,218 | 181,244 |
| Securities owned, at market value | 3,254,621 | 3,010,469 | 3,011,094 |
| Other assets | 30,288 | 68,669 | 35,971 |
| Total Assets | \$ 4,425,122 | \$ 4,361,033 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 38,512 | \$ 15,797 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 57,834 | 156,675 | 158,925 |
| Income taxes payable | 2,055 | 17,400 | 21,600 |
| Total Liabilities | 98,401 | 189,872 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 259,812 | 104,252 | 145,259 |
| Total Stockholder's Equity | 4,326,721 | 4,171,161 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,425,122 | \$ 4,361,033 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

September 30, 1999

| | | |
|--|--------------|---------------------|
| Ownership Equity | | \$ 4,326,721 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,060,122 | |
| Accounts receivable, investment advisory fees | 2,418 | |
| Accounts receivable, other | 62,907 | |
| Prepaid expenses | 10,454 | |
| Furniture and equipment | 2,549 | |
| Current and deferred income taxes recoverable | 17,285 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,155,735)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 3,132,986 |
| Haircuts on Securities | | <u>(661,798)</u> |
| Net Regulatory Capital | | 2,471,188 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 98,401 | |
| Liabilities excluded from aggregate indebtedness | | |
| Total Aggregate Indebtedness | | <u>98,401</u> |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ 6,560 | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,371,188</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.04 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, | |
|--|--------------------------------|-------------------|---------------------------------|-------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 66,075 | \$ 71,848 | \$ 532,866 | \$ 450,086 |
| Shared service revenue | 62,500 | 94,758 | 625,000 | 1,066,638 |
| Net income from securities owned | 16,795 | 21,942 | 183,838 | 212,622 |
| Total Revenue | 145,370 | 188,548 | 1,341,704 | 1,729,346 |
| Expenses | | | | |
| Salaries and benefits | 53,240 | 57,941 | 540,615 | 635,029 |
| Professional and outside services | 51,793 | 55,381 | 488,356 | 563,281 |
| Office occupancy and administration | 5,916 | 6,103 | 53,500 | 61,141 |
| Data processing | 411 | 448 | 4,970 | 5,366 |
| Other | 7,397 | 18,768 | 64,197 | 208,985 |
| Total Expenses | 118,757 | 138,641 | 1,151,638 | 1,473,802 |
| Net Income Before Income Taxes | 26,613 | 49,907 | 190,066 | 255,544 |
| Income Tax Expense (Benefit) | | | | |
| Current | 12,300 | 22,600 | 64,200 | 93,585 |
| Deferred | (400) | (300) | (3,400) | (14,900) |
| Total Income Tax Expense | 11,900 | 22,300 | 60,800 | 78,685 |
| Net Income | 14,713 | 27,607 | 129,266 | 176,859 |
| Retained Earnings - Beginning of the Period | 259,812 | 104,252 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 274,525 | \$ 131,859 | \$ 274,525 | \$ 131,859 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | October 31, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,085,754 | \$ 1,218,514 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 2,535 | 9,442 | 3,250 |
| Accrued interest and other | 84,024 | 114,725 | 177,994 |
| Total receivables | 86,559 | 124,167 | 181,244 |
| Securities owned, at market value | 3,250,901 | 3,012,555 | 3,011,094 |
| Other assets | 23,853 | 49,870 | 35,971 |
| Total Assets | \$ 4,447,067 | \$ 4,405,106 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 39,183 | \$ 15,870 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 58,780 | 169,268 | 158,925 |
| Income taxes payable | 7,670 | 21,200 | 21,600 |
| Total Liabilities | 105,633 | 206,338 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 274,525 | 131,859 | 145,259 |
| Total Stockholder's Equity | 4,341,434 | 4,198,768 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,447,067 | \$ 4,405,106 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

October 31, 1999

| | | |
|--|-----------------|---------------------|
| Ownership Equity | | \$ 4,341,434 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,085,754 | |
| Accounts receivable, investment advisory fees | 2,418 | |
| Accounts receivable, other | 63,024 | |
| Prepaid expenses | 10,454 | |
| Furniture and equipment | 2,400 | |
| Current and deferred income taxes recoverable | 11,000 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,175,050)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 3,128,384 |
| Haircuts on Securities | | <u>(661,063)</u> |
| Net Regulatory Capital | | 2,467,321 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 105,633 | |
| Liabilities excluded from aggregate indebtedness | - | |
| Total Aggregate Indebtedness | <u>105,633</u> | |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ <u>7,042</u> | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,367,321</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.04 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, | |
|---|---------------------------------|------------|-------------------------------------|------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 26,879 | \$ 34,385 | \$ 559,745 | \$ 484,471 |
| Shared service revenue | 62,500 | 105,620 | 687,500 | 1,172,258 |
| Net income from securities owned | 11,239 | 19,699 | 195,077 | 232,321 |
| Total Revenue | 100,618 | 159,704 | 1,442,322 | 1,889,050 |
| Expenses | | | | |
| Salaries and benefits | 67,155 | 48,348 | 607,770 | 683,377 |
| Professional and outside services | 42,811 | 29,499 | 531,167 | 592,780 |
| Office occupancy and administration | 5,248 | 5,320 | 58,748 | 66,461 |
| Data processing | 211 | 454 | 5,181 | 5,820 |
| Other | 11,412 | 14,299 | 75,609 | 223,284 |
| Total Expenses | 126,837 | 97,920 | 1,278,475 | 1,571,722 |
| Net Income (Loss) Before Income Taxes | (26,219) | 61,784 | 163,847 | 317,328 |
| Income Tax Expense (Benefit) | | | | |
| Current | (10,800) | 27,400 | 53,400 | 120,985 |
| Deferred | (300) | (200) | (3,700) | (15,100) |
| Total Income Tax Expense (Benefit) | (11,100) | 27,200 | 49,700 | 105,885 |
| Net Income (Loss) | (15,119) | 34,584 | 114,147 | 211,443 |
| Retained Earnings - Beginning of the Period | 274,525 | 131,859 | 145,259 | (45,000) |
| Retained Earnings - End of the Period | \$ 259,406 | \$ 166,443 | \$ 259,406 | \$ 166,443 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | November 30, | | December 31, |
|---|---------------------|---------------------|---------------------|
| | 1999 | 1998 | 1998 |
| Assets | | | |
| Cash | \$ 1,089,081 | \$ 291,079 | \$ 1,274,730 |
| Receivables: | | | |
| Customers and broker/dealers | 2,887 | 3,250 | 3,250 |
| Accrued interest and other | 90,694 | 138,920 | 177,994 |
| | <u>93,581</u> | <u>142,170</u> | <u>181,244</u> |
| Total receivables | 93,581 | 142,170 | 181,244 |
| Securities owned, at market value | 3,241,873 | 4,011,005 | 3,011,094 |
| Other assets | 29,390 | 34,470 | 35,971 |
| | <u>29,390</u> | <u>34,470</u> | <u>35,971</u> |
| Total Assets | <u>\$ 4,453,925</u> | <u>\$ 4,478,724</u> | <u>\$ 4,503,039</u> |
| Liabilities and Stockholder's Equity | | | |
| Liabilities: | | | |
| Due to affiliate | \$ 39,355 | \$ 15,560 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - | - |
| Accounts payable and accrued expenses | 85,999 | 196,512 | 158,925 |
| Income taxes payable | 2,256 | 33,300 | 21,600 |
| | <u>127,610</u> | <u>245,372</u> | <u>290,871</u> |
| Total Liabilities | 127,610 | 245,372 | 290,871 |
| Stockholder's Equity | | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 | 4,066,909 |
| Retained earnings | 259,406 | 166,443 | 145,259 |
| | <u>4,326,315</u> | <u>4,233,352</u> | <u>4,212,168</u> |
| Total Stockholder's Equity | 4,326,315 | 4,233,352 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | <u>\$ 4,453,925</u> | <u>\$ 4,478,724</u> | <u>\$ 4,503,039</u> |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

November 30, 1999

| | | |
|--|--------------|---------------------|
| Ownership Equity | | \$ 4,326,315 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,089,081 | |
| Accounts receivable, investment advisory fees | 2,418 | |
| Accounts receivable, other | 63,461 | |
| Prepaid expenses | 10,454 | |
| Furniture and equipment | 2,251 | |
| Current and deferred income taxes recoverable | 16,885 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,184,350)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 3,103,965 |
| Haircuts on Securities | | <u>(659,582)</u> |
| Net Regulatory Capital | | 2,444,383 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 127,610 | |
| Liabilities excluded from aggregate indebtedness | - | |
| Total Aggregate Indebtedness | | <u>127,610</u> |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ 8,507 | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,344,383</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.05 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, | |
|--|---------------------------------|-------------------|----------------------------|-------------------|
| | 1999 | 1998 | 1999 | 1998 |
| Revenue | | | | |
| Client revenue | \$ 38,889 | \$ 30,999 | \$ 598,634 | \$ 515,470 |
| Shared service revenue | 62,500 | 43,785 | 750,000 | 1,216,043 |
| Net income from securities owned | 16,278 | 17,490 | 211,355 | 249,811 |
| Total Revenue | 117,667 | 92,274 | 1,559,989 | 1,981,324 |
| Expenses | | | | |
| Salaries and benefits | 75,465 | 21,957 | 683,235 | 705,334 |
| Professional and outside services | 50,465 | 87,540 | 581,632 | 680,320 |
| Office occupancy and administration | 9,403 | 6,064 | 68,151 | 72,525 |
| Data processing | 513 | 448 | 5,694 | 6,268 |
| Other | 5,791 | 14,849 | 81,400 | 238,133 |
| Total Expenses | 141,637 | 130,858 | 1,420,112 | 1,702,580 |
| Net Income (Loss) Before Income Taxes | (23,970) | (38,584) | 139,877 | 278,744 |
| Income Tax Expense (Benefit) | | | | |
| Current | (5,700) | (24,900) | 47,700 | 96,085 |
| Deferred | (300) | 7,500 | (4,000) | (7,600) |
| Total Income Tax Expense (Benefit) | (6,000) | (17,400) | 43,700 | 88,485 |
| Net Income (Loss) | (17,970) | (21,184) | 96,177 | 190,259 |
| Retained Earnings - Beginning of the Period | 259,406 | 166,443 | #REF! | (45,000) |
| Retained Earnings - End of the Period | \$ 241,436 | \$ 145,259 | #REF! | \$ 145,259 |

U.S. Central Capital Markets, Inc.

Statements of Financial Condition (unaudited)

| | December 31, | |
|---|---------------------|---------------------|
| | 1999 | 1998 |
| Assets | | |
| Cash | \$ 1,089,845 | \$ 1,274,730 |
| Receivables: | | |
| Customers and broker/dealers | 2,418 | 3,250 |
| Accrued interest and other | 96,927 | 177,994 |
| Total receivables | 99,345 | 181,244 |
| Securities owned, at market value | 3,238,095 | 3,011,094 |
| Other assets | 31,542 | 35,971 |
| Total Assets | \$ 4,458,827 | \$ 4,503,039 |
| Liabilities and Stockholder's Equity | | |
| Liabilities: | | |
| Due to affiliate | \$ 38,538 | \$ 110,346 |
| Payable to customers and broker/dealers | - | - |
| Accounts payable and accrued expenses | 111,289 | 158,925 |
| Income taxes payable | 655 | 21,600 |
| Total Liabilities | 150,482 | 290,871 |
| Stockholder's Equity | | |
| Common stock, no par value, 2,000 shares authorized, 800 shares issued and outstanding | 4,066,909 | 4,066,909 |
| Retained earnings | 241,436 | 145,259 |
| Total Stockholder's Equity | 4,308,345 | 4,212,168 |
| Total Liabilities and Stockholder's Equity | \$ 4,458,827 | \$ 4,503,039 |

U.S. Central Capital Markets, Inc.

Net Capital Computation (unaudited)

December 31, 1999

| | | |
|--|------------------|---------------------|
| Ownership Equity | | \$ 4,308,345 |
| Non-Allowable Assets | | |
| Investments in affiliates | \$ 1,089,845 | |
| Accounts receivable, investment advisory fees | 2,418 | |
| Accounts receivable, other | 63,461 | |
| Prepaid expenses | 4,356 | |
| Furniture and equipment | 2,101 | |
| Current and deferred income taxes recoverable | 25,085 | |
| Other | - | |
| Total Non-Allowable Assets | | <u>(1,187,266)</u> |
| Deduction for Excess Insurance Deductible | | <u>(38,000)</u> |
| Net Capital Before Haircuts on Securities | | 3,083,079 |
| Haircuts on Securities | | <u>(659,202)</u> |
| Net Regulatory Capital | | 2,423,877 |
| Aggregate Indebtedness | | |
| Total liabilities | \$ 150,482 | |
| Liabilities excluded from aggregate indebtedness | - | |
| Total Aggregate Indebtedness | <u>150,482</u> | |
| Minimum Net Capital Based on Aggregate Indebtedness (Total Aggregate Indebtedness x 6 2/3%) | \$ <u>10,032</u> | |
| Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness) | | <u>100,000</u> |
| Excess Net Capital | | <u>\$ 2,323,877</u> |
| Ratio of Aggregate Indebtedness to Net Capital | | <u>0.06 to 1</u> |