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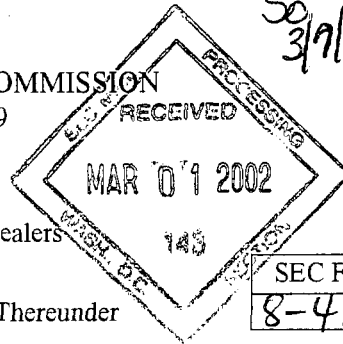
U.S. SECURITIES



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COMMISSION

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**

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

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

SEC FILE
8-48639

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
BAYOU SECURITIES, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:
40 Signal Road

(No. and Street)

Stamford **Connecticut** **06902**
(City) (State) (Zip Code)

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

Samuel Israel III (203) 324-0333
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT (Whose opinion is contained in this Report)
(Name...if individual, state last, first, middle name)

HERTZ, HERSON & COMPANY, LLP

2 Park Avenue **New York** **New York** **10016**
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

FOR OFFICIAL USE ONLY

MAR 21 2002


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OATH OR AFFIRMATION

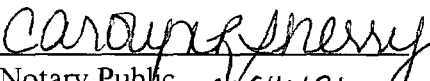
I, SAMUEL ISRAEL III, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of BAYOU SECURITIES, LLC as of December 31, 2001 are true and correct. I further swear (or affirm) that neither the Company or any partner, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer.

BAYOU SECURITIES, LLC



Samuel Israel III, Managing Member

Subscribed and sworn to
before me this 28th day of
February, 2002


Notary Public 01514918787

This report contains (check all applicable boxes)

- | | | |
|-------------------------------------|-----|--|
| <input checked="" type="checkbox"/> | (a) | Facing page. |
| <input checked="" type="checkbox"/> | (b) | Statement of financial condition. |
| <input checked="" type="checkbox"/> | (c) | Statement of income. |
| <input checked="" type="checkbox"/> | (d) | Statement of cash flows. |
| <input checked="" type="checkbox"/> | (e) | Statement of changes in shareholders' equity or partners' or sole proprietor's capital. |
| <input type="checkbox"/> | (f) | Statement of changes in liabilities subordinated to claims of general creditors. |
| <input checked="" type="checkbox"/> | (g) | Computation of net capital for brokers and dealers pursuant to Rule 15c3-1. |
| <input checked="" type="checkbox"/> | (h) | Computation for determination of reserve requirements pursuant to Rule 15c3-3. |
| <input checked="" type="checkbox"/> | (i) | Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3. |
| <input checked="" type="checkbox"/> | (j) | A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3. |
| <input type="checkbox"/> | (k) | A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation. |
| <input checked="" type="checkbox"/> | (l) | An oath or affirmation. |
| <input type="checkbox"/> | (m) | A copy of the SIPC supplemental report. |
| <input type="checkbox"/> | (n) | A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. |
| <input checked="" type="checkbox"/> | (o) | Independent auditors' report on internal accounting control. |
| <input type="checkbox"/> | (p) | Schedule of segregation requirements and funds in segregation -- customers' regulated commodity futures account pursuant to rule 171-5. |

BAYOU SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
AS AT DECEMBER 31, 2001

ASSETS

Cash	\$3,202,663
Receivable from clearing broker	688,543
Deposit with clearing broker	326,017
Due from affiliates	14,887
Prepaid expenses	16,853
Security deposit	<u>36,000</u>

TOTAL ASSETS \$4,284,963

LIABILITIES AND MEMBER'S CAPITAL

Liabilities

Accrued expenses and other liabilities	\$ 609,099
Member's distribution payable	1,210,000

Commitments

Member's capital 2,465,864

TOTAL LIABILITIES AND MEMBER'S CAPITAL \$4,284,963