ATALANTA SOSNOFF CAPITAL CORP /DE/
Form 10-Q
August 13, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended:
June 30, 2002 Commission File Number: 1-9137

ATALANTA/SOSNOFF CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-3339071
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

101 PARK AVENUE, NEW YORK, NEW YORK	10178
(Address of principal executive offices)	(zip code)

(212) 867-5000

(Registrant's Telephone Number, including area code)

(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such following requirements for the past 90 days.

Yes [X] No [ ]

As of August 13, 2002 there were 8,528,707 shares of common stock outstanding.

ATALANTA/SOSNOFF CAPITAL CORPORATION

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ATALANTA/SOSNOFF CAPITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS	(UNAUDITED) JUNE 30, 2002	DECEMBER 31, 2001

Assets:		
Cash and cash equivalents	$ 1,495,724	$ 1,940,653
Accounts receivable	2,625,358	3,071,180
Due from brokers	3,637,927	748,263
Investments, at market	54,915,774	73,583,683
Investments in limited partnerships	19,386,374	24,320,671
Deferred tax asset	2,176,900	-
Fixed assets, net	1,023,292	1,272,504
Exchange memberships, at cost	402,000	402,000
Other assets	3,252,767	4,155,943
Total assets	$ 88,916,116	$109,494,897

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:		
Accounts payable and other liabilities	$ 825,484	$ 471,761
Accrued compensation payable	183,744	450,540
Income taxes payable	-	4,951,233
Due to broker	-	1,015,533
Securities sold not yet purchased, at market value	-	203,000
Total liabilities	1,009,228	7,092,067
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value $1.00 per share; 5,000,000 shares authorized; none issued	-	-
Common stock, $.01 par value; 30,000,000 shares authorized; 8,885,707 shares issued	88,857	88,857
Additional paid-in capital	17,336,028	17,336,028
Retained earnings	76,872,856	83,716,965
Accumulated other comprehensive income (loss) - unrealized gains (losses) from investments, net of deferred income tax (credit)	(3,158,103)	1,260,980
Treasury stock, at cost, 285,000 and zero shares, respectively	(3,232,750)	-
Total shareholders' equity	87,906,888	102,402,830
Total liabilities and shareholders' equity	$ 88,916,116	$109,494,897
Book value per common share	$ 10.22	$ 11.52

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ATALANTA/SOSNOFF CAPITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	THREE MONTHS ENDED	
	JUNE 30, 2002	JUNE 30, 2001
Revenues:		
Advisory fees	$ 3,269,679	$ 3,464,281
Commissions and other operating revenues	329,879	416,050
Realized and unrealized gains (losses) from principal securities transactions, net	(8,788,480)	2,924,659
Interest and dividend income, net	206,674	133,417
Total revenues	(4,982,248)	6,938,407
Costs and expenses:		
Employees' compensation	1,932,918	3,014,270
Clearing and execution costs	111,905	189,970
Selling expenses	132,962	151,578
General and administrative expenses	1,041,337	798,768
Total costs and expenses	3,219,122	4,154,586
Income (loss) before provision for income taxes (benefit)	(8,201,370)	2,783,821
Provision for income taxes (benefit)	(2,518,000)	1,230,000
Net income (loss)	$ (5,683,370)	$ 1,553,821
Earnings (loss) per common share - basic	$ (0.65)	$ 0.17
Earnings (loss) per common share - diluted	$ N/A	$ 0.17
Net income (loss), as presented above	$ (5,683,370)	$ 1,553,821
Comprehensive income (loss):		
Net unrealized gains (losses) from investments, net of deferred income tax (credit)	(2,381,484)	2,738,747
Comprehensive income (loss)	$ (8,064,854)	$ 4,292,568

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ATALANTA/SOSNOFF CAPITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	SIX MONTHS ENDED JUNE 30, 2002
Revenues:	
Advisory fees	$ 6,724,020
Commissions and other operating revenues	733,684
Realized and unrealized gains (losses) from principal securities transactions, net	(11,895,986)
Interest and dividend income, net	513,790
Total revenues	(3,924,492)
Costs and expenses:	
Employees' compensation	3,926,732
Clearing and execution costs	267,512
Selling expenses	252,283
General and administrative expenses	1,928,090
Total costs and expenses	6,374,617
Income (loss) before provision for income taxes (benefit)	(10,299,109)
Provision for income taxes (benefit)	(3,455,000)
Net income (loss)	$ (6,844,109)
Earnings (loss) per common share - basic	$ (0.78)
Earnings (loss) per common share - diluted	$ N/A
Net income (loss), as presented above	$ (6,844,109)
Comprehensive income (loss):	
Net unrealized gains (losses) from investments, net of deferred income tax (credit)	(4,419,083)
Comprehensive income (loss)	$ (11,263,192)

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ATALANTA/SOSNOFF CAPITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2002
(UNAUDITED)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated other comprehensive income (loss) - unrealized gains (losses) from investments, net
Balance - December 31, 2001	$88,857	$17,336,028	$83,716,965	$ 1,260,980
Purchases of treasury stock				
Net unrealized losses from investments, net of deferred income tax benefit				(4,419,083)
Net loss			(6,844,109)	
Balance - June 30, 2002	$88,857	$17,336,028	$76,872,856	$ (3,158,103)

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ATALANTA/SOSNOFF CAPITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

	2002	
Cash flows from operating activities:		
Net income (loss)	$ (6,844,109)	$
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	274,148	
Amortization of unearned compensation	-	1
Realized and unrealized (gains) losses from principal securities transactions, net	11,895,986	
Increase (decrease) from changes in:		
Accounts receivable	445,822	
Other assets	903,176	
Income taxes payable	(4,180,040)	(3
Accounts payable and other liabilities	353,723	
Accrued compensation payable	(266,796)	(5
Net cash provided by (used in) operating activities	2,581,910	(5
Cash flows from investing activities:		
Due from brokers	(3,905,197)	3
Purchases of fixed assets	(24,936)	
Purchases of investments	(83,492,567)	(120
Proceeds from sales of investments	87,628,611	126
Net cash provided by investing activities	205,911	8
Cash flows from financing activities:		
Dividends paid	-	(2
Purchases of treasury stock	(3,232,750)	(1
Net cash used in financing activities	(3,232,750)	(3
Net decrease in cash and cash equivalents	(444,929)	
Cash and cash equivalents, beginning of period	1,940,653	
Cash and cash equivalents, end of period	$ 1,495,724	$
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 35,026	$
Income taxes	$ 474,023	$ 3

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ATALANTA/SOSNOFF CAPITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: UNAUDITED INFORMATION

The accompanying condensed consolidated financial statements include the accounts of Atalanta/Sosnoff Capital Corporation (the "Holding Company") and its direct and indirect wholly owned subsidiaries, Atalanta/Sosnoff Capital Corporation (Delaware) ("Capital"), Atalanta/Sosnoff Management Corporation ("Management"), and ASCC Corporation ("ASCC").

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (which include only normal recurring accruals) necessary to present fairly the Company's financial position as of June 30, 2002, and the results of its operations and cash flows for the three and six months ended June 30, 2002 and 2001. Certain information normally included in the financial statements and related notes prepared in accordance with generally accepted accounting principles has been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto appearing in the Company's December 31, 2001 Annual Report on Form 10-K. Information included in the condensed consolidated balance sheet as of December 31, 2001 has been derived from the audited consolidated financial statements appearing in the Company's Annual Report on Form 10-K.

NOTE 2: INVESTMENTS, AT MARKET

The Company records its investments in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 115, with the exception of investments held by Management. The Company has designated certain investments held by the Holding Company, Capital and ASCC in equity and debt securities as "available for sale" and, accordingly, recorded these investments at market value with the related unrealized gains and losses net of deferred taxes reported as a separate component of shareholders' equity. ASCC holds certain equity and debt securities as "trading" securities which are recorded at market value, with the related unrealized gains and losses reflected in the consolidated statements of operations and comprehensive income (loss). Investments held by Management are recorded at market value, with the related unrealized gains and losses reflected in the consolidated statements of operations and comprehensive income (loss).

Investments are recorded on trade date. The cost of investments sold is determined on the high-cost method. Securities listed on a securities exchange for which market quotations are available are valued at the last quoted sales price as of the last business day of the period. Investments in mutual funds are valued based upon the net asset value of shares held as reported by the fund. Securities with no reported sales on such date are valued at their last closing bid price. Dividends and interest are accrued as earned.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

NOTE 2: INVESTMENTS, AT MARKET - CONT'D

Capital serves as the general partner for three Company-sponsored investment partnerships (the "Partnerships") and as the investment manager for a Company-sponsored offshore investment fund (the "Offshore Fund"). Investments in limited partnerships are carried in the accompanying condensed consolidated financial statements at the Company's share of the respective Partnership's net assets with the unrealized gain or loss recorded in the consolidated statements of operations and comprehensive income (loss).

NOTE 3: NON-CASH COMPENSATION CHARGES ("NCCC") UNDER 1996 LONG TERM INCENTIVE PLAN ("LTIP")

In September 1997, the Company awarded 775,000 shares of restricted stock at the issue price of $.01 per share to two senior executives of the Company under the terms of the LTIP. Such awards vested over the four year period ended September 30, 2001. The difference of $9.0 million between market value ($11.625 per share) on the date of grant and the purchase price was recorded as unearned compensation in shareholders' equity and was amortized over a four-year period which commenced with the fourth quarter of 1997 (approximately $563,000 per quarter and $2.25 million annually). Accordingly, NCCC of approximately $563,000 and $1,126,000 was charged to operations in both the three and six months ended June 30, 2001 compared to none in the three and six months ended 2002.

NOTE 4: COMPENSATION EXPENSE

Effective January 1, 1993, the Company adopted the Management Incentive Plan (the "MIP") for certain senior executives. Under one component of the MIP, each participant is entitled to receive their assigned share of the annual reward pool, which is computed based on operating income performance goals, as defined in the MIP. There was no MIP operating bonus earned and accrued in the three and six months ended June 30, 2002 and 2001, respectively.

Pursuant to another component of the MIP, the President of the Company earns a bonus based upon the pretax operating profits earned by the Company as general partner of one of the Partnerships managed by the President, and an annual bonus based upon the pretax earnings of the Company's investment in the Partnership managed by the President in excess of a base indexed return. There was no MIP bonus earned and accrued for the three and six months ended June 30, 2002 and 2001, respectively.

In addition, under a separate component of the MIP, an annual bonus is earned by the Chief Executive Officer (CEO) based upon the pretax earnings of certain managed assets of the Company in excess of a base indexed return. There was no MIP bonus earned and accrued to the CEO in the three and six months ended June 30, 2002 and 2001, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

NOTE 5: TREASURY STOCK

In February and March 2002, the Company purchased 10,000 shares of its common stock at an average market price of $10.41 per share. In April 2002, the Company purchased 60,000 shares of its common stock at an average market price of $12.05 per share. In May 2002, the Company purchased 40,000 shares of its common stock at an average market price of $12.19 per share.

In May 2002, due to the resignation of the Company's Chief Operating Officer, the Company bought back 175,000 shares of its common stock at a price of $10.96 per share, the stock's book value at April 30, 2002.

In July 2002, the Company purchased 72,000 shares of its common stock at an average market price of $10.95 per share.

NOTE 6: EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share amounts were computed based on 8,747,685 and 8,957,888 weighted average common shares outstanding in the second quarters of 2002 and 2001, respectively. Diluted earnings per share amounts were computed based on 8,984,650 weighted average common shares outstanding in the three months ended June 30, 2001. Basic earnings (loss) per share amounts were computed based on 8,815,446 and 8,981,557 weighted average common shares in the first six months of 2002 and 2001, respectively. Because the Company reported a loss in the second quarter of 2002 and for the first six months of 2002 and 2001, respectively, the effect of stock options is antidilutive in determining dilutive earnings per share.

See Exhibit 11 for further details on the computation of earnings per common share.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition", and elsewhere in this Report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include among others, the following: general economic and business conditions; the loss of, or the failure to replace, any significant clients; changes in the relative investment performance of client or firm accounts and changes in the financial marketplace, particularly in the securities markets. These forward-looking statements speak only as of the date of this Quarterly

Report. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Part I. Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

I. GENERAL

The assets of the Company totaled $88.9 million at June 30, 2002, compared with $109.5 million at December 31, 2001, and book value per common share totaled $10.22 at June 30, 2002, compared with $11.52 at December 31, 2001.

Cash and cash equivalents totaled $1.5 million at June 30, 2002, compared with $1.9 million at December 31, 2001. Net investments (at market) totaled $54.9 million at June 30, 2002, compared with $73.6 million at the end of 2001. Accumulated unrealized losses on investments, net of deferred tax benefit, totaled $3.2 million at June 30, 2002, compared with accumulated unrealized gains, net of deferred taxes, of $1.3 million at December 31, 2001.

Assets under management at June 30, 2002 totaled $2.20 billion, or 7% less than at June 30, 2001 and December 31, 2001, respectively. Negative performance results of $248 million and lost accounts of $56 million, partially offset by new accounts of $140 million, accounted for the net decrease in assets under management over the twelve months ended June 30, 2002.

The Company had a net loss of $5.7 million ($(.65) per common share) for the three months ended June 30, 2002, compared with a net income of $1.6 million ($.17 per common share diluted) for the same period in 2001. The Company had a net loss of $6.8 million ($(.78) per common share) for the six months ended June 30, 2002, compared with a net loss of $68,000 (($.01) per common share) for the first six months of 2001.

After eliminating non-operating charges, pretax operating income totaled $380,000 in the second quarter of 2002, compared with $288,000 in the second quarter of 2001 and $1.1 million for the six months ended June 30, 2002, compared with $903,000 for the six months ended June 30, 2001.

II. ASSETS UNDER MANAGEMENT

Assets under management totaled $2.20 billion at June 30, 2002, compared with $2.36 billion at December 31, 2001, and $2.37 billion at June 30, 2001. Average assets under management decreased 3% to $2.33 billion in the second quarter of 2002, compared with $2.40 billion in the comparable period a year ago. Average managed assets for the second quarter of 2002 decreased 1% compared with the first quarter of 2002.

During the first six months of 2002, new accounts of $59 million and net positive client cash flows of $42 million, offset by lost accounts of $37 million and negative performance of $217 million, accounted for the $153 million net decrease in managed assets. In the twelve months ended June 30, 2002, new accounts of $140 million and net positive client cash flows of $8 million, offset by lost accounts of $64 million and negative performance of $248 million, accounted for the $164 million net decrease in managed assets.

III. RESULTS OF OPERATIONS

QUARTERLY COMPARISON

Revenue from advisory fees and commissions ("operating revenue") decreased 7% to $3.6 million in the second quarter of 2002, as compared with $3.9 million in the second quarter of 2001. The Company had a net loss on investments of $8.6 million in the second quarter of 2002, compared with net income on investments of $3.1 million in the second quarter of 2001.

Expenses for the second quarter of 2002 decreased 23% to $3.2 million, from $4.2 million in the second quarter of 2001.

The following table depicts variances in significant statement of operations items for the three months ended June 30, 2002 compared with the same period in 2001. Explanations of the variances follow the table.

	(000's) 3 Months Ended June 30,		
	2002	2001	Percentage Change
A. Advisory fees	$3,270	$3,464	(6)%
B. Realized and unrealized gains (losses) from principal securities transactions, net	(8,788)	2,925	N/A
C. Employees' compensation	1,933	3,014	(36)%
D. Non-compensation expenses	1,286	1,140	13%

- The 6% decrease in advisory fees is primarily due to the difficult market conditions in 2001 and 2002 and the decrease in average assets under management as discussed above.

- The Company recorded a net realized and unrealized loss from investment transactions of $8.8 million in the second quarter of 2002, compared with a net realized and unrealized gain from investment transactions of $2.9 million for the second quarter of 2001. The net realized and unrealized losses from principal securities transactions were $4.2 million and $4.6 million, respectively, for the second quarter of 2002, as compared to net realized and unrealized gains of $978,000 and $1.9 million, respectively, for the second quarter of 2001.

- The decrease of 36% in employees' compensation is primarily due to the aforementioned decrease in advisory fees and the resulting decrease in sales payouts and accrued bonus compensation. Additionally, non-cash compensation charges of $563,000 is included in the second quarter of 2001, compared to none in the second quarter of 2002.

- Non-compensation expenses increased 13% for the three months ended June 30, 2002 as compared to the 2001 comparable quarter. The increase was primarily related to an increase in certain professional fees included in general and administrative expenses, partially offset by a decrease in clearing and execution costs.

YEAR-TO-DATE COMPARISON

Operating revenue decreased 7% to $7.5 million in the first six months of 2002, as compared with $8.0 million in the first six months of 2001. Expenses for the first six months of 2002 decreased 23% to $6.4 million, from $8.3 million in the first six months of 2001.

The following table depicts variances in significant statement of operations items for the six months ended June 30, 2002 compared with the same period in 2001. Explanations of the variances follow the table.

	(000's) 6 Months Ended June 30,		
	2002	2001	Percentage Change
A. Advisory fees	$6,724	$7,073	(5%)
B. Realized and unrealized gains (losses) from principal securities transactions, net	(11,896)	(331)	N/A
C. Employees' compensation	3,927	5,845	(33%)
D. Non-compensation expenses	2,448	2,427	1%

- The 5% decrease in advisory fees is primarily due to the difficult market conditions in 2002 and the decrease in assets under management as discussed above.

- The Company recorded a net realized and unrealized loss from investment transactions of $11.9 million in the first half of 2002, compared with a net realized and unrealized loss of $331,000 for the first half of 2001. The net realized and unrealized losses from principal securities transactions were $4.9 million and $7.0 million, respectively, for the first six months of 2002, as compared to net realized gains and unrealized losses of $1.4 million and $1.8 million, respectively, for the first six months of 2001.

- The decrease of 33% in employees' compensation is primarily due to a decrease in accrued bonus and sales payout compensation as a result of the decline in operating revenues and non-cash compensation charges of $1,126,000 that is included in the first six months of 2001, compared with none in the same period for 2002.

- Non-compensation expenses increased 1% for the six months ended June 30, 2002 as compared to the 2001 comparable period. The increase was primarily related to a decrease in clearing and execution costs and in selling expenses partially offset by a moderate increase in general and administrative expenses.

IV. LIQUIDITY AND CAPITAL RESOURCES

Investments

Net investments, which includes corporate and convertible debt, U.S. government agency debt instruments, marketable equity securities and the Atalanta/Sosnoff Mutual Funds, aggregated $54.9 million at June 30, 2002, compared with $73.6 million at the end of 2001. Shareholders' equity decreased to $87.9 million at June 30, 2002, from $102.4 million at the end of 2001, primarily from an unrealized loss on investments (net of deferred tax credit) of $4.4 million in the investment portfolio, purchases of treasury stock of $3.2 million and a net loss of $6.8 million for the six months ended June 30, 2002. The Company had a net accumulated unrealized loss on investments of $3.2 million in shareholders' equity at June 30, 2002, compared with a net accumulated unrealized gain on investments of $1.3 million at December 31, 2001.

At June 30, 2002, the Company's net investment portfolio at market totaled $75.8 million (cost basis $74.5 million), compared with $99.6 million (cost $83.1 million) at the end of 2001, which was comprised of cash and cash equivalents, net investments described above and investments in limited partnerships. At June 30, 2002, the Company was invested primarily in 18 separate large-cap equity securities, in a more concentrated fashion of what it does for its managed client accounts.

If the equity market (defined as the S&P 500 index) were to decline by 10%, the Company might experience unrealized losses of approximately $8 million; if the market were to decline by 20%, the Company might experience unrealized losses of $15 million. However, incurring unrealized losses of this magnitude is unlikely with active management of the portfolio. Since the positions are primarily large-cap equity holdings, they can be sold easily on short notice with little market impact. Ultimately, the Company will raise and hold cash to reduce market risk.

Cash Flows

At June 30, 2002, the Company had cash and cash equivalents of $1.5 million, compared with $1.9 million at the end of 2001. Operating activities generated net cash inflows of $2.6 million in the six months ended June 30, 2002, compared with $5.9 million of net cash outflows in the same period in 2001, reflecting the changing levels of operating assets and liabilities and net income (loss) over those periods. Net cash provided by investing activities totaled $206,000 in the first six months of 2002, compared with $6.4 million in the comparable 2001 period. The increase in 2002 and 2001 was primarily the result of net proceeds from investment transactions. Net cash outflows from financing activities was $3.2 million in the first six months of 2002 compared with $3.4 million in the comparable 2001 period. The cash outflow in 2002 was the result of purchasing treasury stock, as described below. The cash outflow in 2001 was the result of paying dividends accrued at December 31, 2000 and purchases of treasury stock.

Equity Transactions

In February and March 2002, the Company purchased 10,000 shares of its common stock at an average market price of $10.41 per share. In April 2002, the Company purchased 60,000 shares of its common stock, at an average market price of $12.05 per share. In May 2002, the Company purchased 40,000 shares of its common stock at an average market price of $12.19 per share.

In May 2002, upon the resignation of the Company's Chief Operating Officer, the Company bought back from him 175,000 shares of its common stock at a price of $10.96 per share, the stock's book value

of April 30, 2002.

In July 2002, the Company purchased 72,000 shares of its common stock at an average market price of $10.95 per share.

Financing Arrangements

At June 30, 2002, there were no liabilities for borrowed money.

Part II. Other Information

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Default upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K

Exhibit Number	Description	Page
2	None.	
4	None.	
11	Computation of Earnings (loss) per Share.	19
15	None.	
18	None.	
19	None.	
20	None.	
23	None.	
24	None.	
25	None.	
28	None.	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Atalanta/Sosnoff Capital Corporation

Date: August 13, 2002 /s/ Martin T. Sosnoff

Martin T. Sosnoff
Chairman of the Board and Chief Executive Officer

Date: August 13, 2002 /s/ Kevin S. Kelly

Kevin S. Kelly
Senior Vice President, Chief Financial Officer,
Secretary