

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL REPORTS  
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PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 1/1/2023 AND ENDING 12/31/2023  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Marco Polo Securities Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant  
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

1230 Avenue of the Americas, 16th floor

(No. and Street)

New York City

NY

10020

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Alex Mack

917-923-1478

amack@mpsecurities.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Assurance Dimensions

(Name – if individual, state last, first, and middle name)

4920 West Cypress Street

Tampa

FL

33607

(Address)

(City)

(State)

(Zip Code)

04/13/2010

5036

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)


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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, Steven Carlson, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Marco Polo Securities Inc, as of December 31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

4/1/2024  
  
Notary Public

AHN TED TAESHIK  
Notary Public, State of New York  
No. 01AN6286995  
Qualified in Westchester County  
Commission Expires 08/05/2025

Signature: 

Title:

CEO

### This filing\*\* contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☐ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☐ (d) Statement of cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**Marco Polo Securities Inc.**  
**Statement of Financial Condition**

**DECEMBER 31, 2023**

# Marco Polo Securities Inc.

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A S S U R A N C E D I M E N S I O N S

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder  
of **Marco Polo Securities, Inc:**

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of **Marco Polo Securities, Inc** as of December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of **Marco Polo Securities, Inc** as of December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of **Marco Polo Securities, Inc’s** management. Our responsibility is to express an opinion on **Marco Polo Securities, Inc’s** financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to **Marco Polo Securities, Inc** in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as **Marco Polo Securities, Inc’s** auditor since 2023.

Assurance Dimensions  
Margate, Florida  
March 29, 2024

**ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES**

also d/b/a McNAMARA and ASSOCIATES, PLLC

**TAMPA BAY:** 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053

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[www.assurancedimensions.com](http://www.assurancedimensions.com)

# Marco Polo Securities Inc.

## STATEMENT OF FINANCIAL CONDITION

As of December 31, 2023

### ASSETS

Cash	\$	471,934
Fees receivable (net)		95,331
Prepaid expenses and other assets		<u>25,789</u>
Total assets	\$	<u>593,054</u>

### LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities		
Accounts payable and accrued expenses	\$	165,186
Total liabilities		<u>165,186</u>
Commitments and contingencies (Note 5)		-
Stockholder's equity		
Common stock - no par value; 200 shares authorized; 100 shares issued and outstanding		80,704
Additional paid-in capital		(357,939)
Retained earnings		<u>705,103</u>
Total stockholder's equity		<u>427,868</u>
Total liabilities and stockholder's equity	\$	<u>593,054</u>

These financial statements and schedules are deemed confidential pursuant to Subparagraph (e)(3) of Rule 17a-5(e)(3) of the Securities and Exchange Commission

See accompanying notes to statement of financial condition.

**Marco Polo Securities Inc.**  
**NOTES TO STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2023**

**NOTE 1 – DESCRIPTION OF ORGANIZATION AND NATURE OF BUSINESS ACTIVITY**

**Organization**

Marco Polo Securities Inc. (the “Company”) is a wholly owned subsidiary of MPX LLC (the “Parent”), which in turn is a wholly-owned subsidiary of Magellan Global Inc. The Company is a broker-dealer registered with the Securities and Exchange Commission (“SEC”), a member of the Financial Industry Regulatory Authority (“FINRA”), a member of the Securities Investor Protection Corporation (“SIPC”), and a member of the National Futures Association (“NFA”) as an introducing broker.

The Company does not carry accounts for customers, or perform custodial functions related to securities. The Company’s primary business is offering investment banking and advisory services and providing private placement services. Accordingly, the Company claims exemption from SEC Rule 15c3-3 under exemptive provision (k)(2)(i) and Footnote 74 of the SEC Release No. 34-70073 adopting amendments to SEC Rule 17a-5. The Company is also engaged in providing “Chaperoning” services under SEC Rule 15a-6 to foreign brokers, soliciting and effecting transactions with US investors.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**Concentration of Credit Risk**

The Company maintains its cash in bank deposit accounts at high quality financial institutions. The balances, at times, may exceed the Federal Deposit Insurance Corporation’s (the “FDIC”) current \$250,000 limit. At December 31, 2023, the Company had cash balances in excess of insured limits totaling about \$85,456 at one financial institution. Management monitors the financial condition of the financial institutions and does not anticipate losses from these counterparties.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

In May 2014, FASB issued guidance ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in US GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive.

The Company determines revenue recognition by applying the 5-step model:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue as the performance obligations are satisfied.

**Investment banking and advisory fees**

- Contracts, performance obligations, and the transaction price formula are evidenced by the engagement letter. Calculation of a transaction price may depend on defined values found in other documents, such as a closing document or NAV report. Allocation of transaction price to performance is normally spelled out in the engagement letter.
- Revenue recognition for a one-off event occurs on the day that the documents are fully signed to formalize the event.
- Revenue recognition for a monthly recurring financing activity occurs at the end of the measurement month.
- Revenue recognition for recurring services rendered is recognized ratably over the likely life of the contract.
- Revenue recognition for specific services is recognized only on full performance of the service, as well as acceptance of any deliverable by the client if the acceptance is required by contract.

**Chaperoning fees and Commissions**

- Contracts, performance obligations, and the transaction price formula are evidenced by the Servicing agreement. Performance obligations are matched to the transaction price in the Servicing Agreement.
- Revenue recognition for period-based monitoring fees are recognized in the period the services were provided.
- Revenue recognition for period-based trading fees are recognized in the month that the trading took place, on a trade-date basis.
- Revenue recognition for specific transactions are recognized in the month that the transaction closed.
- Revenue recognition for setup and onboarding work is recognized when the client has completed the onboarding process.



**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (continued)**

**Administrative fees**

- Contract, performance obligations, and transaction price are evidenced by the Sponsorship agreement.
- Revenue recognition for setup and onboarding work is recognized when the client has completed the onboarding process.
- Revenue recognition for monthly supervision are recognized in the month the services were provided.
- Revenue recognition for passthrough expenses are passed through without markup in the month the expenses are recognized.

**Marketing fees**

Contract, performance obligations and transaction price are evidenced by the contract.

Revenue is recognized when performance obligations are met. If the marketing contract calls for provision of information to our representatives, performance is fulfilled when the information is provided.

**Credit losses:**

On January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments – Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC Topic 326).

This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

As of December 31, 2023, the credit loss allowance for doubtful accounts was \$104,925.

**Income Taxes**

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholder is liable for Individual income taxes on his respective share of the Company's taxable income.

With regard to the New York City General Corporate Tax, the Company files a consolidated tax return with its parent, and all taxes are paid by the parent company.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2023, there were no cash equivalents.

**Marco Polo Securities Inc.**  
**NOTES TO STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2023**

**NOTE 3 - ADMINISTRATIVE SERVICES**

The Company's administrative fees of \$892,340 represent costs of dedicated employees and office space, which is reimbursable revenue from working in conjunction with specific clients. The Company expensed as compensation and benefits and rent approximately the same amount on the statement of operations for the year ended December 31, 2023.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

The Company incurred costs consisting of reimbursable expenses with its parent company and affiliates. Amounts charged to affiliates as of December 31, 2023 and for the year then ended total \$301,823 for expense reimbursements. As of December 31, 2023 the Company owed \$2,292 to its parent and affiliates.

Compensation and benefits	\$275,531
Communication and systems	<u>26,292</u>
Total related party transactions	<u>\$301,823</u>

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

In the normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees, and administrators, against specified potential losses in connection with them acting as an agent of, or providing services to, the Company. The Company also indemnifies some customers against potential losses incurred in the event specified third-party service providers, including sub-custodians and third-party brokers, improperly execute transactions. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated.

However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

**NOTE 6 – MAJOR CUSTOMERS**

For the year ending December 31, 2023, the top three customers accounted for 58% of gross revenues. At December 31, 2023 the top three customers accounted for 46% of the Company's accounts receivable.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

The Company has one twelve-month lease ending on November 30, 2024, and rents another space on a month-to-month basis. The office leases required a deposit with the landlord in the amount of \$13,284. This amount is reflected in "Other assets" in the accompanying statement of financial condition. Rent expense, recorded on a straight-line basis was approximately \$114,508 in 2023.

**NOTE 8 – GUARANTEES**

The Company has not issued any guarantees during the year ended December 31, 2023.

**Marco Polo Securities Inc.**  
**NOTES TO STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2023**

**NOTE 9- RULE 15C3-3 EXEMPTION**

The Company claimed exemption from 17 C.F.R. § 240.15c3-3 under the provisions of 17 C.F.R. § 240.15c3-3(k)(2)(i). and Footnote 74 of the SEC Release No. 34-70073 adopting amendments to SEC Rule 17a-5. The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

**NOTE 10 - NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. The rule also provides that equity capital may not be withdrawn, or cash dividends paid, if the resulting net capital ratio would exceed 10 to 1. The Company is also subject to the net capital requirements of CFTC Regulation 1.17 and requirements of the National Futures Association.

At December 31, 2023, the Company has regulatory net capital of \$336,499, which exceeds the Company's minimum regulatory net capital requirement of \$250,000 (which is net capital requirement of the SEC Rule 15c3-1) by \$86,499. The Company's percentage of aggregate indebtedness to net capital is 49% as of December 31, 2023.

**NOTE 11 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 29, 2024, which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment or disclosure in the financial statements.