



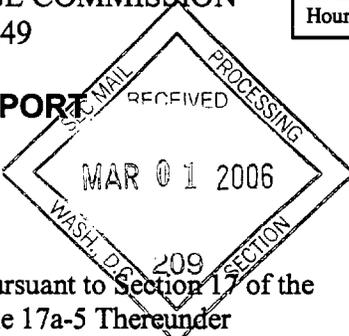
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SECURITIES AND COMMISSION  
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**ANNUAL AUDITED REPORT  
FORM X-17 A-5  
PART III**



SEC FILE NUMBER
8-44166

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

REPORT FOR THE PERIOD BEGINNING 01/01/2005 AND ENDING 12/31/2005  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **GLOBAL INVESTOR SERVICES, L.C.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

777 Brickell Avenue, Suite 1010

(No. and Street)

Miami

(City)

FL

(State)

33131

(Zip Code)

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

Raul Henriquez

305-373-9000

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Kaufman Rossin & Co.

(Name - if individual, state last, first, middle name)

2699 S. Bayshore Drive

(Address)

Miami

(City)

Florida

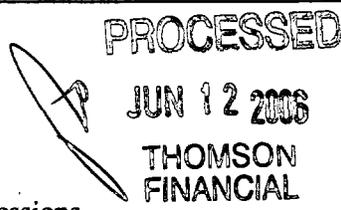
(State)

33133

(Zip Code)

**CHECK ONE:**

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



FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17 a-5(e) (2)

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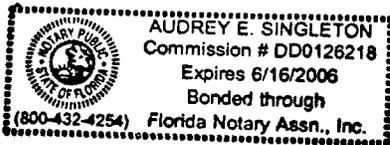
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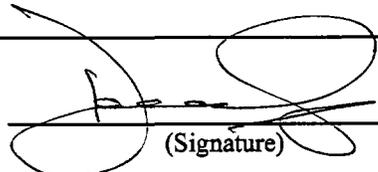
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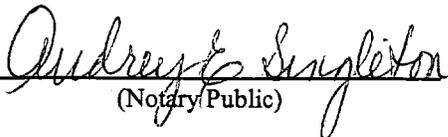
# OATH OR AFFIRMATION

I, Raul Henriquez, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GLOBAL INVESTOR SERVICES, L.C., as of December 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

No exceptions



  
(Signature)  
\_\_\_\_\_  
Managing Director  
(Title)

  
(Notary Public)

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition. (Cash Flows)
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent auditors' report on internal control required by SEC Rule 17a-5.

\*\* For conditions of confidential treatment of certain portions of this filing. See section 240.17a-5(e)(3).

A report containing a statement of financial condition has been included; accordingly it is requested that this report be given confidential treatment.

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Member's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
SUPPLEMENTARY INFORMATION	
Computation of Net Capital Per Uniform Net Capital Rule 15c3-1 and Reconciliation to Company's Corresponding Unaudited Form X-17A-5, Part IIA Filing	9
Statement on Exemption from the Computation of Reserve Requirements and Information for Possession or Control Requirements Under Rule 15c3-3	10
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3	

**INDEPENDENT AUDITORS' REPORT**

To the Sole Member  
Global Investor Services, L.C.  
Miami, Florida

We have audited the accompanying statement of financial condition of Global Investor Services, L.C. as of December 31, 2005, and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Investor Services, L.C. as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Miami, Florida  
January 27, 2006

**GLOBAL INVESTOR SERVICES, L.C.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2005**

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**ASSETS**

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CASH AND CASH EQUIVALENTS	\$	1,759,349
DUE FROM BROKER (NOTE 2)		344,756
OTHER RECEIVABLES		37,419
OTHER ASSETS		9,345
	\$	2,150,869

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**LIABILITIES AND MEMBER'S EQUITY**

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LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	\$	1,105,743
MEMBER'S EQUITY		1,045,126
	\$	2,150,869

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See accompanying notes.

**GLOBAL INVESTOR SERVICES, L.C.**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2005**

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**REVENUES**

Commissions and asset management fees	\$	6,446,095
Other		311,272
Placement fees		175,393
Interest and dividends		142,516
Total revenues		7,075,276

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**EXPENSES**

Management fees (Note 3)		6,367,004
Clearing charges		951,877
Dues and subscriptions		27,797
Other general and administrative		42,018
Professional fees		19,200
Total expenses		7,407,896

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**NET LOSS** \$( 332,620)

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See accompanying notes.

**GLOBAL INVESTOR SERVICES, L.C.**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**YEAR ENDED DECEMBER 31, 2005**

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MEMBER'S EQUITY AS OF DECEMBER 31, 2004	\$ 877,746
MEMBER CONTRIBUTION	500,000
NET LOSS	( 332,620)
<hr/>	
<b>MEMBER'S EQUITY AS OF DECEMBER 31, 2005</b>	<b>\$ 1,045,126</b>

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See accompanying notes.

**GLOBAL INVESTOR SERVICES, L.C.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2005**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$( 332,620)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Due from broker	( 24,752)
Other receivables	( 35,793)
Other assets	( 9,345)
Accounts payable and accrued liabilities	( 459,896)
Total adjustments	( 529,786)
Net cash used in operating activities	( 862,406)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Member contributions	500,000
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**NET DECREASE IN CASH AND CASH EQUIVALENTS** ( 362,406)

**CASH AND CASH EQUIVALENTS - BEGINNING** 2,121,755

**CASH AND CASH EQUIVALENTS - ENDING** \$ 1,759,349

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**Supplemental Disclosure of Non-Cash Investing and Financing Activities:**

Interest paid	\$ 4,932
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See accompanying notes.

**GLOBAL INVESTOR SERVICES, L.C.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***Description of Business and Organization***

Global Investor Services, L.C. (the Company), was organized in December 24, 1998 as a Florida Limited Liability Company. The Company, a wholly owned subsidiary of Hencorp Becstone, L.C. (the "Parent"), is a broker and dealer whose primary focus of business is to provide execution, clearing and administrative services to foreign brokers through subclearing arrangements. The Company also sells listed, over the counter equities, options, mutual funds and corporate bonds to retail investors.

***Government and Other Regulation***

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

***Cash and Cash Equivalents***

Cash and cash equivalents include liquid instruments with a purchased maturity of three months or less. The Company may, during the course of operations, maintain cash balances in excess of federally insured limits.

***Securities Transactions***

Securities transactions and related commission income and clearing charges are reported on a trade date basis.

***Income Taxes***

The Company is not subject to income taxes as it is a disregarded entity for income tax purposes as a single member limited liability company, whose operations are reflected in the tax return of the Parent.

***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**NOTE 2. DUE FROM BROKER**

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The Company's primary clearing and depository operations are provided by Pershing, a Bank of New York Company, whose principal office is in Jersey City, New Jersey. All amounts due from broker at December 31, 2005 are due from Pershing.

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**NOTE 3. MANAGEMENT AGREEMENT**

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The Company receives management and administrative services, including office facilities, from an entity affiliated by virtue of common ownership. In this regard, the affiliate incurs significant operating expenses and provides facilities and staff in consideration of a management fee. For the year ended December 31, 2005, the Company incurred \$6,367,004 of management fees of which \$724,196 is included in accounts payable and accrued liabilities in the accompanying statement of financial condition at December 31, 2005.

Management fees consisted of the following for the year ended December 31, 2005:

Commissions	\$ 4,278,653
Facilities and office expenses	685,763
Salaries	1,121,204
Seminars	105,101
Travel and entertainment	59,237
Dues and subscriptions	46,013
Professional fees	44,220
Miscellaneous	26,813
	<hr/>
	\$ 6,367,004

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**NOTE 4. NET CAPITAL REQUIREMENTS**

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As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission, which requires that "Net Capital", as defined, shall be at least the greater of \$100,000 or one-fifteenth of "Aggregate Indebtedness", as defined. At December 31, 2005, the Company's "Net Capital" was \$889,323, which exceeded requirements by \$789,323 and the ratio of "Aggregate Indebtedness" to "Net Capital" was 1.24 to 1.

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**NOTE 5. RISK CONCENTRATION**

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In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the clearing broker extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company executes customer transactions involving the sale of securities not yet purchased, all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

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**SUPPLEMENTARY INFORMATION**

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**GLOBAL INVESTOR SERVICES, L.C.**

COMPUTATION OF NET CAPITAL PER UNIFORM NET CAPITAL RULE 15c3-1  
AND RECONCILIATION TO COMPANY'S CORRESPONDING UNAUDITED  
FORM X-17A-5, PART IIA FILING  
DECEMBER 31, 2005

**CREDITS**

Member's Equity	\$ 1,045,126
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**DEBITS**

Other receivables	37,419
12b-1 fees receivable	101,289
Prepaid expenses	9,345
Total debits	148,053

<b>NET CAPITAL BEFORE HAIRCUTS ON CASH EQUIVALENTS</b>	897,073
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<b>HAIRCUTS ON CASH EQUIVALENTS</b>	7,750
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<b>NET CAPITAL</b>	889,323
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<b>MINIMUM NET CAPITAL REQUIREMENT - greater of \$100,000 or 6 2/3% of aggregate indebtedness of \$1,105,743</b>	100,000
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<b>EXCESS NET CAPITAL</b>	\$ 789,323
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<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	1.24 to 1
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**SCHEDULE OF AGGREGATE INDEBTEDNESS**

Accounts payable and accrued liabilities	\$ 1,105,743
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**RECONCILIATION WITH COMPANY'S COMPUTATION IN PART IIA  
OF FORM X-17A-5 AS OF DECEMBER 31, 2005**

Net capital as reported in Company's Part IIA (unaudited) Focus report	\$ 708,483
Decrease in non-allowable assets	180,840
Net capital per above	\$ 889,323

See Independent Auditors' Report.

**GLOBAL INVESTOR SERVICES, L.C.**

STATEMENT ON EXEMPTION FROM THE COMPUTATION OF RESERVE  
REQUIREMENTS AND INFORMATION FOR POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3  
DECEMBER 31, 2005

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In accordance with the exemptive provisions of SEC Rule 15c3-3, specifically exemption k(2)(ii), the Company is exempt from the computation of reserve requirements and the information relating to the possession or control requirements.

See Independent Auditors' Report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN  
EXEMPTION FROM SEC RULE 15c3-3**

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To the Sole Member  
Global Investor Services, L.C.  
Miami, Florida

In planning and performing our audit of the financial statements and supplementary information of Global Investor Services, L.C. (the Company) for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the use of management, the SEC, the National Association of Securities Dealers, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Krause, Rossini & Co.", is written in a cursive style. The signature is positioned to the right of the main text block.

Miami, Florida  
January 27, 2006