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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER
8- 43035

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 4/1/05 AND ENDING 3/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **First Brokers Securities LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**Harborside Financial Center, Plaza 5, Suite 1500**

(No. and Street)

**Jersey City, New Jersey**

(City)

**07311-4011**

(State)

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

PROCESSED

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

JUL 17 2006  
THOMSON FINANCIAL

**PRICEWATERHOUSECOOPERS**

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

**300 Madison Avenue**

(Address)

**New York,**

(City)

New York, 10017  
SECURITIES AND EXCHANGE COMMISSION  
RECORDED (Zip Code)

CHECK ONE:

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

MAY 30 2006
BRANCH OF REGISTRATORS AND EXAMINATIONS
03

**FOR OFFICIAL USE ONLY**

<i>Handwritten signature and date: [Signature] 7/13/06</i>
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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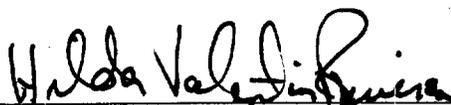
OATH OR AFFIRMATION

I, Philip J. Salvia, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Bokers Securities LLC, as of March 31, 2006, 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:

  
Signature Philip J. Salvia

Chief Financial Officer

Title



Notary Public

VALENTIN RIVERA HILDA  
Notary Public, State of New York  
No. 01VA5066801  
Qualified in Bronx County  
Commission Expires October 7, 2006

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.
- (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 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of 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.

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

**First Brokers Securities LLC**

**Statement of Financial Condition**

**March 31, 2006**

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**First Brokers Securities LLC**

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**March 31, 2006**

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PricewaterhouseCoopers LLP  
PricewaterhouseCoopers Center  
300 Madison Avenue  
New York NY 10017  
Telephone (646) 471 3000  
Facsimile (813) 286 6000

**Report of Independent Auditors**

To the Member of  
First Brokers Securities LLC

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of First Brokers Securities LLC (the "Company") at March 31, 2006 in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



May 24, 2006

**First Brokers Securities LLC**  
**Statement of Financial Condition**  
**March 31, 2006**

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*(dollars in thousands)*

**Assets**

Cash and cash equivalents	\$ 12,139
Receivable from clearing brokers	680
Receivables from brokers and dealers	190
Furniture, equipment and leasehold improvements, net	2,702
Receivable from affiliates	474
Prepaid expenses and other assets	654
	<u>\$ 16,839</u>

**Liabilities and Member's Equity**

**Liabilities**

Accrued compensation and related expenses	1,992
Payable to clearing brokers	105
Accounts payable and accrued expenses	229
Payable to affiliates	636
	<u>2,962</u>

**Member's equity**

	<u>13,877</u>
	<u>\$ 16,839</u>

The accompanying notes are an integral part of this financial statement.

**First Brokers Securities LLC**  
**Notes to Statement of Financial Condition**  
**March 31, 2006**

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*(dollars in thousands)*

**1. Organization**

First Brokers Securities LLC (the "Company") is a Delaware limited liability company. The member is ICAP Broking Holdings North America, LLC ("IBHNA"). IBHNA has two Members: ICAP North America, Inc. ("INAI") and First Brokers Holdings Inc. ("FBHI").

The Company is an indirect wholly owned subsidiary of ICAP plc, a public company registered in the United Kingdom that engages principally in money and securities broking throughout the world.

The Company is a broker-dealer registered with the SEC and is a member of the NASD. The Company's principal business activity is the purchase and sale of various debt securities.

The Company executes and clears securities trades through an affiliated clearing broker on a fully disclosed basis.

**2. Summary of Significant Accounting Policies**

The preparation of the statement of financial condition in conformity with generally accepted accounting principles 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 statement of financial condition. Actual results could differ from these estimates.

The Company considers short-term interest bearing investments with initial maturities of three months or less to be cash equivalents. All cash and cash equivalents at March 31, 2006 were held by one financial institution.

Securities transactions are recorded on a trade-date basis.

Receivables from brokers and dealers includes amounts due on cash transactions.

Depreciation of furniture and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which range from three to five years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the terms (fourteen and one half years) of the related leases.

The Company is party to Tax Sharing Agreements ("the Agreements") with INAI and FBHI. As a single member limited liability company, it is not treated as a separate taxable entity. The change in deferred assets or liabilities and the taxes currently receivable or payable are calculated and recorded on the statement of financial condition. The net tax receivable or payable is settled with INAI and FBHI on a regular basis.

All financial assets and liabilities are stated at amounts which approximate fair value.

**First Brokers Securities LLC**  
**Notes to Statement of Financial Condition**  
**March 31, 2006**

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*(dollars in thousands)*

**3. Employee Benefits**

The company sponsors a 401(k) retirement plan (the "Plan"). The plan covers all employees upon commencement of employment with the Company. The Company does not match employee contributions.

**4. Furniture, Equipment and Leasehold Improvements**

Details of furniture, equipment and leasehold improvements at March 31, 2006 are as follows:

Telephone and computer equipment	\$ 1,770
Furniture and fixtures	640
Leasehold improvements	<u>2,501</u>
	4,911
Less accumulated depreciation and amortization	<u>2,209</u>
	<u>\$ 2,702</u>

**5. Net Capital Requirements**

The Company is a member of the NASD, and is subject to the SEC Uniform Net Capital Rule 15c3-1 (the "Rule"). The Company computes its net capital under the alternative method permitted by the Rule, which requires that the Company maintain minimum net capital, as defined. The Rule may prohibit a member firm from expanding its business or paying cash dividends, if resulting net capital would be less than 5% of aggregate debit balances or 120% of the minimum dollar amount required. At March 31, 2006, the Company's net capital was \$9,372, which was \$9,122 in excess of its minimum requirement of \$250.

**6. Exemption from Rule 15c3-3**

The Company claims exemption from the provisions of SEC Rule 15c3-3, as amended, as the Company's activities are limited to those set forth in the conditions for exemption appearing in clause (ii) of subparagraph (k)(2).

**7. Off-Balance-Sheet Risk and Concentration of Credit Risk**

Pursuant to a clearance agreements, the Company introduces all of its securities transactions through affiliates of IBHNA, its clearing brokers, on a fully disclosed basis. Therefore, all of the money balances and long and short security positions for these securities transactions are carried on the books of the clearing brokers. Under certain conditions, as defined in the clearance agreement, the Company has agreed to indemnify the clearing brokers for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing brokers monitor collateral on the securities transactions introduced by the Company. In addition, the receivable from the clearing brokers are pursuant to this clearance agreement.

**First Brokers Securities LLC**  
**Notes to Statement of Financial Condition**  
**March 31, 2006**

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*(dollars in thousands)*

In addition, pursuant to the terms of the clearing agreements between the Company and its clearing brokers, the clearing brokers have the right to charge the Company for losses that result from a counterparty's failure to fulfill its contractual obligations. At March 31, 2006, the Company has recorded no liability. As the right to charge the Company has no maximum amount and applies to all trades executed through the clearing broker, the Company believes there is no maximum amount assignable to this right.

In the normal course of its operations, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company believes the risk of loss is remote.

**8. Transactions with Affiliates**

Included in receivable from affiliated at March 31, 2006 was \$119 for prepaid taxes. Amounts receivable from affiliates are non-interest bearing and due on demand.