

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

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

SEC Mail Processing
Section

SEC FILE NUMBER
8- 47763

FACING PAGE

SEP 12 2009

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 07/01/2008 AND ENDING 06/30/2009
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Global Brokerage Services, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

11350 McCormick Rd. EP III Suite 901

(No. and Street)

Hunt Valley

MD

21031

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Thomas W. Johnson 410-785-4990

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Stegman & Company

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

405 E. Joppa Rd Suite 100

Baltimore

MD

21286

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
 Public Accountant
 Accountant not resident in 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 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)

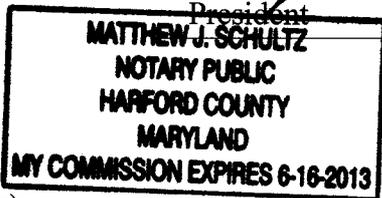
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OATH OR AFFIRMATION

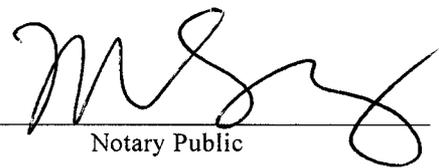
I, Thomas W. Johnson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Global Brokerage Services, Inc., as of June 30, 2009, are true and correct. I further swear (or affirm) that neither the company 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

President



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.
- (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).

GLOBAL BROKERAGE SERVICES, INC.

FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

No extracts from this report may be published without our written consent.

Stegman & Company

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
of Global Brokerage Services, Inc.
Hunt Valley, Maryland 21031

We have audited the accompanying balance sheet of Global Brokerage Services, Inc., (the "Company") as of June 30, 2009 and the related statements of operations, changes in stockholders' 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 Brokerage Services, Inc. as of June 30, 2009, and the results of their operations and their 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 information contained in Schedules I and II 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the 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.

Stegman + Company

Baltimore, Maryland
August 21, 2009

GLOBAL BROKERAGE SERVICES, INC.

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GLOBAL BROKERAGE SERVICES, INC.
Balance Sheet
June 30, 2009

ASSETS

Current Assets:	
Cash	\$ 24,913
Accounts Receivable (Note 2)	45,327
Prepaid Expenses (Note 6)	10,000
Retainer - Conti, Fenn & Lawrence, LLC	<u>10,000</u>
Total Current Assets	<u>90,240</u>
Other Assets:	
Deposits with Clearing Organization (Note 3)	<u>10,622</u>
Total Other Assets	<u>10,622</u>
Total Assets	<u>\$100,862</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:	
Accounts Payable	\$ 3,107
Commissions Payable (Note 4)	36,329
Income Taxes Payable (Note 1 and 5)	<u>1,345</u>
Total Liabilities	<u>40,781</u>
Stockholders' Equity:	
Common Stock, \$5 par value, 5,000 shares authorized and 2,000 shares issued and outstanding	10,000
Retained Earnings	<u>50,081</u>
Total Stockholders' Equity	<u>60,081</u>
Total Liabilities and Stockholders' Equity	<u>\$100,862</u>

The accompanying notes are an integral part of these financial statements.

Global Brokerage Services, Inc.
Statement of Operations
For the Year Ended June 30, 2009

	<u>Amount</u>	<u>%</u>
Revenues		
Commissions & Fees	\$ 701,448	72.37
Investment Advisory Fees	267,631	27.61
Interest and Dividend Income	<u>219</u>	<u>0.02</u>
Total Revenues	<u>969,298</u>	<u>100.00</u>
Expenses		
Dues and Subscriptions	395	0.04
Commissions	777,492	80.21
Licenses and Fees	9,726	1.00
Management Fees (Note 6)	160,000	16.51
Office Expenses	2,525	0.26
Professional Fees	16,383	1.69
Telephone	<u>4,104</u>	<u>0.43</u>
Total Expenses	<u>970,625</u>	<u>100.14</u>
Income (Loss) Before Income Taxes	(1,327)	(.14)
Provision for Income Taxes	<u>81</u>	<u>(.01)</u>
Net Income (Loss)	<u>(\$ 1,408)</u>	<u>(.15)</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL BROKERAGE SERVICES, INC.
Statement of Changes in Stockholders' Equity
For the Year Ended June 30, 2009

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at Beginning of Year	\$ 10,000	\$ 51,489	\$ 61,489
Net Income (Loss)	<u>-0-</u>	<u>(1,408)</u>	<u>(1,408)</u>
Balance at End of Year	<u>\$ 10,000</u>	<u>\$ 50,081</u>	<u>\$ 60,081</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL BROKERAGE SERVICES, INC.
Statement of Cash Flows
For The Year Ended June 30, 2009

CASH FLOW FROM OPERATING ACTIVITIES	
Net Income (Loss)	(\$ 1,408)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) Decrease in:	
Accounts Receivable	48,156
Retainer - Conti, Fenn & Lawrence, LLC	(10,000)
Deposits with Clearing Organization	(61)
Increase (Decrease) in:	
Accounts Payable	3,107
Commissions Payable	(43,797)
Income Taxes Payable	<u>81</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,922)
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-0-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-0-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-0-</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-0-</u>
NET DECREASE IN CASH	(3,922)
CASH AT BEGINNING OF YEAR	<u>28,835</u>
CASH AT END OF YEAR	<u>\$ 24,913</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL BROKERAGE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

Note 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Global Brokerage Services, Inc. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Business Activity

The Company provides securities brokerage services. The Company does not hold funds or securities for, or owe money or securities to, customers and does not carry accounts of, or for, customers including the purchase, sale and redemption of redeemable shares of registered investment companies or participation in insurance company's separate accounts.

Revenue Recognition

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur. Investment advisory fees are recognized as earned on a quarterly basis.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Subsequent Events

The Company has evaluated subsequent events for potential recognition and / or disclosure through August 21, 2009, the date the financial statements were issued.

GLOBAL BROKERAGE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

Note 2-ACCOUNTS RECEIVABLE

Management is of the opinion that all of the Company's accounts receivable are fully collectible. As of June 30, 2009, the accounts receivable consisted of commissions from the sale of the following:

Mutual Funds, Stocks and Bonds	\$ 44,627
Private Placements	<u>700</u>
Total Accounts Receivable	<u>\$ 45,327</u>

Note 3 - Deposits with Clearing Organization

The Company has an agreement with Southwest Securities, Inc. to act as its clearing agent. The Company maintains a deposit with the clearing firm in the amount of \$10,622 in an interest bearing account.

Note 4 - Commissions Payable

The Company has entered into selling agreements with its representatives to solicit and sell approved investment products. The representatives are independent contractors and are responsible for their own expenses, taxes and benefits. The Company compensates its representatives by paying them a portion of the commissions received from the investment products sold. As of June 30, 2009, the amount of commissions due to its representatives was \$36,329.

Note 5 - INCOME TAXES PAYABLE

Income taxes payable consists of the following:

Current Taxes	\$ 1,345
Deferred Taxes	<u>-0-</u>
Total Income Taxes Payable	<u>\$ 1,345</u>

GLOBAL BROKERAGE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

Note 6 - RELATED PARTY TRANSACTIONS

As of July 1, 1995 the Company has entered into a management service agreement with Universal Asset Management, Inc. for a number of management services on a month to month basis and may be terminated immediately by either party. The Company incurred management fees of \$160,000 for the year ended June 30, 2009. The monthly management fee is a charge for salaries, occupancy, insurance and various other office expenses. Universal Asset Management, Inc. and the Company have common shareholders. As of June 30, 2009, the Company prepaid the management services for July in the amount of \$10,000.

The shareholders of the Company are licensed registered representatives. During the year the Company paid commissions to the shareholders in the amount of \$37,279.

Note 7 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission (the "SEC") Uniform Net Capital Rule (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 by the SEC, shall not exceed 12 to 1. At June 30, 2009, the Company had net capital of \$36,464, which was \$31,464 in excess of its required net capital of \$5,000. The Company's net capital ratio was 1.12 to 1.

SUPPLEMENTARY INFORMATION

**Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934**

As of June 30, 2009

Schedule 1

GLOBAL BROKERAGE SERVICES, INC.
 Computation of Net Capital Under Rule 15c3-1 of the
 Securities and Exchange Commission

As of June 30, 2009

NET CAPITAL

Total stockholders' equity		\$ 60,081	
Deduct stockholders' equity not allowable for net capital			<u>-0-</u>
Total stockholders' equity qualified for net capital		60,081	
Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			-0-
B. Other (deductions) or allowable credits- deferred income taxes payable			<u>-0-</u>
Total capital and allowable subordinated liabilities		60,081	
Deductions and/or charges			
A. Non-allowable assets			
Nonallowable Receivables	\$ 3,617		
Prepaid Expenses	10,000		
Retainer - Conti, Fenn & Lawrence	10,000		
Other deductions and/or charges	<u>-0-</u>		<u>23,617</u>
Net capital before haircuts on securities positions		36,464	
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))			
A. Contractual securities commitments		-0-	
B. Deficit in securities collateralizing secured demand notes		-0-	
C. Trading and investment securities		-0-	
D. Other:		<u>-0-</u>	<u>-0-</u>
Net Capital		\$ <u>36,464</u>	

Schedule 1 (Continued)

GLOBAL BROKERAGE SERVICES, INC.
Computation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange Commission

As of June 30, 2009

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition	
Short-term bank loans (secured by customers' securities)	\$ -0-
Payable to brokers and dealers	36,329
Payable to clearing broker	-0-
Other accounts payable and accrued expenses	<u>4,452</u>
Total aggregate indebtedness	<u>40,781</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital as required under SEC Rule 15c3-1(a)(2)(vi)	<u>\$ 5,000</u>
Excess net capital at 1200%	<u>\$ 396,785</u>
Ratio: Aggregate indebtedness to net capital	<u>1.12 to 1</u>

RECONCILIATION WITH COMPANY'S COMPUTATION

There are no material differences from the Company's computation included in Part II of Form X-17 A-5 as of June 30, 2009. Therefore, no reconciliation is included.

Schedule II

GLOBAL BROKERAGE SERVICES, INC.
Computation of Net Capital Under Rule 15c3-3 of the
Securities and Exchange Commission

As of June 30, 2009

In regards to the Reserve Requirements under Rule 15c-3 of the Securities and Exchange Commission, the firm is claiming an exemption under section (k)(2)(ii). Global Brokerage Services, Inc. is an Introducing Broker/Dealer which clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rules 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

**SUPPLEMENTARY REPORT OF INDEPENDENT AUDITORS
ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17A-5**

Board of Directors and Stockholders
of Global Brokerage Services, Inc.
Hunt Valley, Maryland 21031

In planning and performing our audit of the financial statements of Global Brokerage Services, Inc. (the "Company"), as of and for the year ended June 30, 2009 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included 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 (or aggregate debits) 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 and recordation of differences required by Rule 17a-13.
- 2) 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 the preparation of financial

statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error 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.

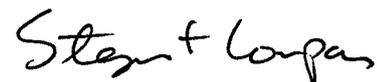
A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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, as described in the second paragraph of this report, were adequate at June 30, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, 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.



Baltimore, Maryland
August 21, 2009