

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

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

SEC FILE NUMBER  
8-51480

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 01/01/2008 AND ENDING 12/31/2008  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MARCO POLO SECURITIES INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

75 BROAD STREET

(No. and Street)

NEW YORK

(City)

NY

(State)

10004

(Zip Code)

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

(Area Code) (Telephone Number)

B. ACCOUNTANT IDENTIFICATION

Mail Processing  
Section

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

L.C. FORLEPZA CPA PC

FFR 25 2009

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

1214 WEST BOSTON POST ROAD

(Address)

MAMARONECK

(City)

NY

(State)

Washington, DC

103

10543

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
MAR 11 2009  
**THOMSON REUTERS**

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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)

OATH OR AFFIRMATION

I, CLIFFORD H. GOLDMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MARCO POLO NETWORK INC., as of DECEMBER 31, 2008, 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:

GILA KAPLAN  
Notary Public, State of New York  
No. 01KA6041446  
Qualified in New York County  
Commission Expires 11/06/2010

Clifford H. Goldman  
Signature  
President  
Title

Gila Kaplan  
Notary Public

STATE OF NY, COUNTY OF NY  
SWORN TO BEFORE ME THIS  
24TH DAY OF FEBRUARY, 2009 BY  
CLIFFORD GOLDMAN

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).

**MARCO POLO SECURITIES INC.**

**A Wholly-Owned Subsidiary of  
Marco Polo Network Inc.**

**Financial Statements  
December 31, 2008**

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**INDEPENDENT AUDITOR'S REPORT**

February 1, 2009

To the Board of Directors  
Marco Polo Securities Inc.  
139 Centre Street 8<sup>th</sup> Floor  
New York, NY 10013

I have audited the accompanying statement of financial condition of Marco Polo Securities Inc., a wholly-owned subsidiary of Marco Polo Network Inc., as of December 31, 2008, and the related statement of income, 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. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. I have also reviewed the Company's Anti-Money Laundering Procedures and Business Continuity Plan. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marco Polo Securities Inc., as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

  
L. C. FORLENZA CPA, P.C.

**Marco Polo Securities Inc.**  
**STATEMENT OF FINANCIAL CONDITION**  
**As of December 31, 2008**

**ASSETS**

## CURRENT ASSETS

Cash	\$ 130,064
Cash - Clearing Deposit	500,000
Due from Marco Polo Network Inc.	<u>\$ 555,448</u>

TOTAL CURRENT ASSETS \$ 1,185,512

## OTHER ASSETS

Investment in Interbolsa Futures Inc. (Note 1) 51,000

**TOTAL ASSETS** **\$ 1,236,512**

**LIABILITIES & STOCKHOLDERS' EQUITY**

## CURRENT LIABILITIES

Accrued Expenses	\$ 7,500
Accounts Payable	<u>10,672</u>

TOTAL CURRENT LIABILITIES \$ 18,172

**EQUITY**

Common Stock	\$ 80,704
Additional Paid in Capital (Note 2)	<u>1,375,405</u>

TOTAL EQUITY 1,456,109

Retained Earnings - January 1, 2008	\$ (144,462)
Net Loss	<u>(93,307)</u>

Retained Earnings - December 31, 2008 (237,769)

TOTAL EQUITY \$ 1,218,340

**TOTAL LIABILITIES & STOCKHOLDERS' EQUITY** **\$ 1,236,512**

**Marco Polo Securities Inc.**  
**STATEMENT OF INCOME**  
**January 1, 2008 through December 31, 2008**

**Revenues**

Fees	\$ 262,475
Commissions	8,978
Total Revenues	<u>271,453</u>

**Expenses**

Compensation and Related Salaries & Wages	326,377
Transaction Based Expenses	14,652
FINRA Registration	14,487
Professional Fees	10,034
Bank Charges	2,607
Depreciation	943
Other Expenses	521
Total Expenses	<u>369,621</u>

<b><u>Net Loss Before Other Income</u></b>	(98,168)
Interest Income	3,586
Other Income	1,275
<b><u>Net Income Before Other Expense</u></b>	<u>4,861</u>
<b><u>Net Income for Twelve Month Period Ending December 31, 2008</u></b>	<u>\$ (93,307)</u>

**Marco Polo Securities Inc.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**As of December 31, 2008**

	Retained Earnings	Common Stock	Preferred Stock	Additional Paid-in Capital	Total
Balance, January 1, 2008	\$ (144,462)	\$ 80,704	\$ -	\$ 125,405	\$ 61,647
Cash Contributions				1,250,000	1,250,000
2008 Net Loss					(93,307)
Balance, December 31, 2008	<u>\$ (144,462)</u>	<u>\$ 80,704</u>	<u>\$ -</u>	<u>\$ 1,375,405</u>	<u>\$ 1,218,340</u>

**Marco Polo Securities Inc.**  
**STATEMENT OF CASH FLOWS**  
**January 1, 2008 through December 31, 2008**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Loss	\$ (93,307)
Increase in Other Current Asset	(555,448)
Increase in Current Assets	(500,000)
Increase in Other Current Liabilities	16,172
Accumulated Depreciation	<u>943</u>
<b>Net cash provided by Operating Activities</b>	<b>\$ (1,131,640)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Additional Paid in Capital	\$ 1,250,000
Investment in Interbolsa Futures Inc.	<u>(51,000)</u>
<b>Net cash provided by Financing Activities</b>	<b>\$ 1,199,000</b>

Cash at Beginning of the Year \$ 62,704

**Cash at End of the Year** **\$ 130,064**

**Marco Polo Securities Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE  
OF THE BUSINESS**

**Ownership Structure**

Marco Polo Securities Inc. (the "Firm" and "MPS"), is a wholly-owned subsidiary of Marco Polo Network Inc. (the "MPN Inc").

**Business Activity**

The Firm filed with the Financial Industry Regulatory Authority (the "FINRA") pursuant to Rule 1017 in October 2007 for permission to expand its business to act as a broker dealer for Securities, which was granted in February 2008. The Firm filed with National Futures Association (the "NFA") to act as an Introducing Futures Broker (the "IB") which was granted in August 2008.

**Cash and Cash Equivalents**

The Firm considers all highly liquid instruments that are not held for sale in the normal course of business to be cash equivalents.

**Income Status**

The Firm, with the consent to its stockholders, has elected to be a C-corporation under the Internal Revenue Code. MPS has decided to file an unconsolidated tax return for 2008.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

**NOTE 1: OTHER ASSETS**

MPS purchased a 51% interest in Interbolas Futures Inc., which is a registered IB with the National Futures Association.

## **NOTE 2: CAPITAL STRUCTURE**

### **Common Stock**

The common stock is valued at \$80,704. The Additional Paid in Capital was increased by \$1,250,000 by Marco Polo Network Inc., its wholly owned parent in the form of cash.

## **NOTE 3: NET CAPITAL REQUIREMENT**

As of December 31, 2008, the Company's net capital was \$611,892 compared with the minimum net capital requirement of \$5,000 under FIRNA Rules and \$45,000 under NFA Rules. According to FINRA regulation, aggregate indebtedness may not exceed 1,500% of net capital. At December 31, 2008, the Company's ratio of aggregate indebtedness amounted to 3% of net capital.

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February 1, 2009

To the Board of Directors  
Marco Polo Securities Inc.  
139 Centre Street 8<sup>th</sup> Floor  
New York, NY 10013

In planning and performing our audit of the financial statements and supplemental schedules of Marco Polo Securities Inc., a wholly-owned subsidiary of Marco Polo Network Inc. for the period from January 1, 2008 to December 31, 2008, 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 the internal control.

Also, as required by the rule 17a-5(g)(1) of the Securities 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 (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 related to those areas.

As requested by management of the Company, we have reviewed the Company's Anti-Money Laundering Procedures (the "AML") including testing of its practices and procedures to determine compliance with FINRA requirements as an independent reviewer. The objective of the review was to provide management with reasonable but not absolute assurance that the Company was performing a proper review of the Company's AML procedures.

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 policies. 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 those transactions are executed in

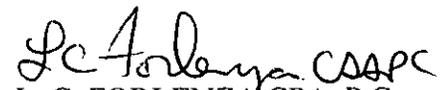
accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control 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 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 and operation of the specific internal control components does not reduce to a relatively low level of 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 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, 2008 to meet the SEC's objectives.

This report is intended solely for the use of the Stockholder, management, the SEC, the FINRA, 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 should not be used for any other purpose.

  
L. C. FORLENZA CPA, P.C.

**Marco Polo Securities Inc.**  
**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1**  
**As of December 31, 2008**

**NET CAPITAL:**

Total Stockholders' Equity from the Statement of Financial Condition	\$ 1,218,340
Total nonallowable Assets	\$ (606,448)
<b>TOTAL NET CAPITAL</b>	<b><u>\$ 611,892</u></b>

Minimum Net Capital Required	<u>\$ 5,000</u>
Excess Net Capital	<u>\$ 606,892</u>
Excess Net Capital at 1000%	<u>\$ 610,075</u>

**AGGREGATE INDEBTEDNESS**

Total Aggregate Indebtedness Liabilities from the Statement of Financial Condition	\$ 18,172
Ratio of Aggregate Indebtedness to Net Capital	<u><u>3%</u></u>

**Marco Polo Securities Inc.**  
**STATEMENT PURSUANT TO RULE 17a-5 (d)(4)**  
**December 31, 2008**

Reconciliation with Company's computation (included in part IIA of form x-17 A-5 as of December 31, 2008)

Net Capital, Reported in Company's Part IIA (Unaudited) FOCUS Report	\$ 611,893
Audit adjustments to Increase Accrued Liabilities	\$ _____ -
Net Capital Per Above	<u>\$ 611,893</u>

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

During the period from January 1, 2008 to December 31, 2008 there were no liabilities subordinated to claims of general creditors.

**STATEMENT PURSUANT TO EXEMPTIVE PROVISION  
UNDER RULE 15c3-3**

The Company is currently exempt from the requirement to maintain a "Special Reserve Account for the Exclusive Benefit of Customers" under provisions of SEC rule 15c3-3 based upon Paragraph (k)(2)(i) of the Rule.