

3/15



11020237

Washington, D.C. 20549



OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden	
hours per response.....	12.00

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

SEC FILE NUMBER
8- 36527

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 January 1, 2010 AND ENDING December 31, 2010  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Geneve International Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
28712 Mira Vista

Laguna Niguel (No. and Street) California 92667  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Paul Abbondante (949) 752-4800  
(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

Breard & Associates, Inc. Certified Public Accountants

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

9221 Corbin Avenue, Suite 170 Northridge California 91324  
(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)

ml

OATH OR AFFIRMATION

I, Paul Abbondante, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Geneve International Corporation, as of December 31, 2010, 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:

State of California
County of Orange
Subscribed and sworn to (or affirmed) before me on this 22nd day of February, 2011 by Paul Abbondante proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Paul J. Abbondante
Signature
CFO
Title

Richard W. Gay
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).

**Genève International Corporation**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended December 31, 2010**



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report**

Board of Directors

Genève International Corporation:

We have audited the accompanying statement of financial condition of Genève International Corporation (the Company) as of December 31, 2010, 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 Genève International Corporation as of December 31, 2010, 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.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has suffered losses from operations and minimal revenue which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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, II, and III 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.

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
February 19, 2011

9221 Corbin Avenue, Suite 170, Northridge, California 91324  
phone 818.886.0940 fax 818.886.1924 web www.baicpa.com

LOS ANGELES NEW YORK OAKLAND

**WE FOCUS & CARE™**

**Genève International Corporation**  
**Statement of Financial Condition**  
**December 31, 2010**

**Assets**

Cash	\$ 6,192
<b>Total assets</b>	<b><u>\$ 6,192</u></b>

**Liabilities and Stockholders' Equity**

**Liabilities**

<b>Total liabilities</b>	\$ -
--------------------------	------

Commitments and contingencies

**Stockholders' equity**

Common stock, no par value, 100,000 shares authorized, 12,750 shares issued and outstanding	12,750
Additional paid-in capital	77,877
Accumulated deficit	<u>(84,435)</u>
<b>Total stockholders' equity</b>	<b><u>6,192</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 6,192</u></b>

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

**Genève International Corporation**  
**Statement of Operations**  
**For the Year Ended December 31, 2010**

<b>Revenues</b>	\$ -
<b>Expenses</b>	
Professional fees	3,574
Other operating expenses	<u>9,184</u>
<b>Total expenses</b>	<u>12,758</u>
<b>Net income (loss) before income tax provision</b>	(12,758)
<b>Income tax provision</b>	<u>800</u>
<b>Net income (loss)</b>	<u><u>\$ (13,558)</u></u>

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

**Genève International Corporation**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2010**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
<b>Balance at December 31, 2009</b>	\$ 12,750	\$ 69,718	\$ (70,877)	\$ 11,591
Proceeds from paid-in capital	-	8,159	-	8,159
Net income (loss)	-	-	(13,558)	(13,558)
<b>Balance at December 31, 2010</b>	<u>\$ 12,750</u>	<u>\$ 77,877</u>	<u>\$ (84,435)</u>	<u>\$ 6,192</u>

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

**Genève International Corporation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2010**

**Cash flow from operating activities:**

Net income (loss)		\$ (13,558)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Increase) decrease in assets:		
Accounts receivable	\$ 5,450	
Total adjustments		<u>5,450</u>

**Net cash provided by (used in) operating activities** (8,108)

**Net cash provided by (used in) investing activities** -

**Cash flow from financing activities:**

Proceeds from additional paid-in capital	<u>8,159</u>	
<b>Net cash provided by (used in) financing activities</b>		<u>8,159</u>

**Net increase (decrease) in cash** 51

**Cash at beginning of year** 6,141

**Cash at end of year** \$ 6,192

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$ -	
Income taxes	\$ 800	

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

**Genève International Corporation**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Genève International Corporation (the "Company") is a California Corporation organized in March 1997, and operates as a registered broker/dealer in securities under the provisions of the Securities Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Company operates from its offices in Laguna Niguel, California.

During 2010, the former Parent, Laguna Beach Asset Management was dissolved and the shares of the Company were distributed to Daniel Fitzpatrick and John F. Ryan. There has been no change in the beneficial ownership of the Company.

The Company is engaged in business as a securities broker-dealer, which provides several classes of services, including the sale of corporate debt securities, underwriter of sale group participant, real estate syndication, and private placements of securities.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investment banking revenues include fees earned from providing private placement advisory services. Revenue is recognized when services are billed.

**Genève International Corporation**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(Continued)**

The Company accounts for its income taxes in accordance with FASB ASC 740, Income Taxes. This standard requires the establishment of a deferred tax asset or liability to recognize the future tax effects of transactions that have not been recognized for tax purposes, including taxable and deductible temporary differences as well as net operating loss and tax credit carryforwards. Deferred tax expenses or benefits are recognized as a result of changes in the tax basis of an asset or liability when measured against its reported amount in the financial statements.

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 19, 2011, which is the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Note 2: INCOME TAXES**

The provision for income tax expense (benefit) is composed of the following:

	<u>Current</u>
Federal	\$ -
State	800
Total income tax expense (benefit)	<u>\$ 800</u>

The Company has available at December 31, 2010, unused operating loss carry-forwards, which may be applied against future taxable income, resulting in a deferred tax asset of approximately \$11,169, that expires as follows:

Amount of unused operating loss carry- forwards	Expiration during the year ended December 31,
\$ 25,885	2018
1,970	2019
27,399	2021
2,306	2022
<u>16,897</u>	2023 & thereafter
<u>\$ 74,457</u>	

**Genève International Corporation**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 2: INCOME TAXES**  
**(Continued)**

A 100% valuation allowance has been established against this asset since management cannot determine if it is more likely than not that the asset will be realized.

**Note 3: RELATED PARTY TRANSACTIONS**

One of the Company's shareholders provides office space, furniture and equipment, management services, and pays certain operating expenses on behalf of the Company. These operating expenses were provided to the Company at no cost for the year ended December 31, 2010.

**Note 4: COMMITMENTS AND CONTINGENCIES**

*Going-Concern*

For the year ended December 31, 2010, the Company conducted no securities business and was only able to maintain operations via additional paid-in capital from its shareholders. This inactivity has resulted in substantial operating losses which bring into question the Company's ability to continue as a going concern. To provide needed liquidity, the shareholders will continue to capitalize the Company to fund its continuing operations.

**Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (the "FASB") issued a new professional standard in June of 2009 which resulted in a major restructuring of U.S. accounting and reporting standards. The new professional standard, issued as ASC 105 ("ASC 105"), establishes the Accounting Standards Codification ("Codification or ASC") as the source of authoritative accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact the financial statements of the Company.

For the year ending December 31, 2010, various Accounting Standard Updates ("ASU") issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following ASU releases to determine relevance to the Company's operations:

**Genève International Corporation**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS**

(Continued)

<u>ASU No.</u>	<u>Title</u>	<u>Effective Date</u>
2009-01	The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (ASC 105) - a Replacement of FASB Statement No. 162	After September 15, 2009
2010-06	Fair Value Measurements and Disclosures (ASC 820): Improving Disclosures about Fair Value Measurements	After December 15, 2009
2010-09	Subsequent Events (ASC 855): Amendments to Certain Recognition and Disclosure Requirements	After February 24, 2010
2009-16	Accounting for Transfers of Financial Assets (ASC 860) - an Interpretation of FASB Statement No. 140	After November 15, 2009
2009-17	Consolidations (ASC 810) - Improvements to Financial Reporting by Enterprises with Variable Interest Entities	After November 15, 2009

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Note 6: 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2010, the Company had net capital of \$6,192 which was \$1,192 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$0) to net capital was 0 to 1, which is less than the 15 to 1 maximum allowed.

**Genève International Corporation**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2010**

**Computation of net capital**

Common stock	\$	12,750	
Additional paid-in capital		77,877	
Accumulated deficit		<u>(84,435)</u>	
<b>Total stockholders' equity</b>	<b>\$</b>		<b>6,192</b>
Less: Non-allowable assets			
<b>Total non-allowable assets</b>			<u><b>-</b></u>
<b>Net capital</b>			<b>6,192</b>

**Computation of net capital requirements**

Minimum net capital requirements			
6 2/3 of net aggregate indebtedness	\$	-	
Minimum dollar net capital required	\$	<u>5,000</u>	
Net capital required (greater of above)			<u>(5,000)</u>
<b>Excess net capital</b>	<b>\$</b>		<u><b>1,192</b></u>
Ratio of aggregate indebtedness to net capital			N/A

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2010.

*See independent auditor's report*

**Genève International Corporation**  
**Schedule II - Computation for Determining of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2010**

A computation of reserve requirements is not applicable to Genève International Corporation as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

*See independent auditor's report*

**Genève International Corporation**  
**Schedule III - Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2010**

Information relating to possession or control requirements is not applicable to Genève International Corporation as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

*See independent auditor's report*

**Genève International Corporation**  
**Supplementary Accountant's Report**  
**on Internal Accounting Control**  
**Report Pursuant to 17a-5**  
**For the Year Ended December 31, 2010**



Board of Directors

Genève International Corporation:

In planning and performing our audit of the financial statements of Genève International Corporation (the Company), as of and for the year ended December 31, 2010, 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 the quarterly securities examinations, counts, verifications and comparisons, and the 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 judgements 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 December 31, 2010, to meet the SEC's objectives.

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



Breard & Associates, Inc.

Certified Public Accountants

Northridge, California

February 19, 2011