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

<b>OMB APPROVAL</b>	
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<b>SEC FILE NUMBER</b>
<b>8- 065411</b>

**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 BEGINING 01/01/2011 AND ENDING 12/31/2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER:

**1<sup>st</sup> MUNICH CAPITAL LLC**

OFFICIAL USE ONLY

FIRM ID NO.

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

**HERZOGSTR. 60**

(No. and Street)

**MUNICH**

(City)

**GERMANY**

(State)

**80803**

(Zip Code)

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

**THOMAS DOLL**

**089 38 83 85- 0**

(Area Code - Telephone No.)

**B. ACCOUNTANT DESIGNATION**

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

**OHAB AND COMPANY, PA**

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

**100 E. SYBELIA AVENUE, SUITE 130, MAITLAND**

(Address)

(City)

**FLORIDA**

(State)

**32751**

(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 audit 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).*

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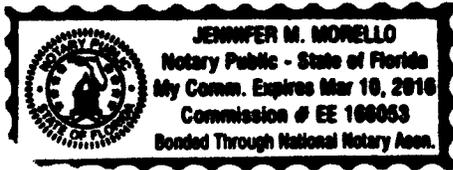
SEC 1410 (06-02)

OATH OR AFFIRMATION

I, Thomas Doll, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of 1st Munich Capital, LLC, as of

December 31, 20 11, 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]  
Signature

Managing Member  
Title

[Signature] 2/21/12  
Public Notary

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 Proprietor's 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 15c3-1.
- (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).

**1ST MUNICH CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2011**

**ASSETS**

**Assets:**

Cash and cash equivalents	\$ 47,286
Receivables from clearing brokers	86,519
Due from Affiliate	14,692
Other assets	197
	<hr/>
	\$ 148,694
	<hr/> <hr/>

**LIABILITIES AND MEMBER'S EQUITY**

**Liabilities:**

Payables to clearing brokers	\$ 585
Accounts payable and accrued expenses	18,839
	<hr/>
	19,424
	<hr/>
Members' equity	129,270
	<hr/>
	\$ 148,694
	<hr/> <hr/>

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

**1<sup>ST</sup> MUNICH CAPITAL, LLC**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**1ST MUNICH CAPITAL, LLC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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# Ohab and Company, P.A.

---

Certified Public Accountants

100 East Sybelia Avenue, Suite 130  
Maitland, FL 32751

E-Mail: ohabco@earthlink.net

Phone: 407-740-7311  
Fax: 407-740-6441

## INDEPENDENT AUDITORS' REPORT

### Members

1<sup>st</sup> Munich Capital, LLC

We have audited the accompanying statement of financial condition of 1<sup>st</sup> Munich Capital, LLC as of December 31, 2011, and the related statements of income, changes in members' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that are filed 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 1<sup>st</sup> Munich Capital, LLC as of December 31, 2011, 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 financial statements as a whole. The supplementary information contained in the Schedules presented on page 9 & 10 required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ohab and Company, P.A.*

Maitland, Florida  
February 3, 2012

**1ST MUNICH CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2011**

**ASSETS**

**Assets:**

Cash and cash equivalents	\$ 47,286
Receivables from clearing brokers	86,519
Due from Affiliate	14,692
Other assets	197
	<hr/>
	\$ 148,694
	<hr/> <hr/>

**LIABILITIES AND MEMBER'S EQUITY**

**Liabilities:**

Payables to clearing brokers	\$ 585
Accounts payable and accrued expenses	18,839
	<hr/>
	19,424
	<hr/>
Members' equity	129,270
	<hr/>
	\$ 148,694
	<hr/> <hr/>

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

**1ST MUNICH CAPITAL, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Revenues:**

Brokerage revenues	\$ 2,678,441
Interest and dividends	<u>74</u>
<b>Total revenue</b>	<u><u>2,678,515</u></u>

**Expenses:**

Commissions	1,931,757
Clearing and execution costs	358,533
Quotes and research	62,459
Interest expense	10,761
Professional fees	195,063
Other operating costs	52,075
Regulatory expenses	13,592
Depreciation	195
Telephone and communications	<u>9,086</u>
<b>Total expenses</b>	<u><u>2,633,521</u></u>

<b>Net income</b>	<u><u>\$ 44,994</u></u>
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The accompanying notes are an integral part of these financial statements.

**1ST MUNICH CAPITAL, LLC**  
**STATEMENTS OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance at January 1, 2011	\$ 84,276
Net income	<u>44,994</u>
Balance at December 31, 2011	<u><u>\$ 129,270</u></u>

The accompanying notes are an integral part of these financial statements

**1ST MUNICH CAPITAL, LLC**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF GENERAL CREDITORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>Subordinated borrowings at January 1, 2011</b>	\$ -
Increases	-
Decreases	-
	<hr/>
<b>Subordinated borrowings at December 31, 2011</b>	<b>\$ -</b>

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

**1st MUNICH CAPITAL, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Cash flows from operating activities:**

Net income	\$ 44,994
Loss from disposal of equipment	942
Depreciation	195
Adjustments to reconcile net income to net cash used in operating activities	
Increase or decrease in assets and liabilities:	
Increase in due from clearing broker	(24,527)
Increase in due to affiliate	(14,692)
Decrease in other assets	100
Decrease in accounts payable and accrued expenses	(17,845)
<b>Total cash used in operating activities</b>	<u>(10,833)</u>
 <b>Net increase in cash</b>	 (10,833)
Cash and cash equivalents at beginning of year	<u>58,119</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 47,286</u></u>
 <b>Supplemental disclosure of cash flow information:</b>	
Cash paid during the year for interest	<u><u>\$ 10,761</u></u>
Cash paid during the year for income taxes	<u><u>\$ -</u></u>

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

**1ST MUNICH CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**1. ORGANIZATION**

1<sup>st</sup> Munich Capital, LLC (the "company") was incorporated as a limited liability company on March 19, 2002, in the state of Florida. The Company is a registered broker-dealer with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA").

The Company operates an office in Munich, Germany. The Company's sources of revenue are derived from unsolicited brokerage transactions. The Company is an introducing broker-dealer and clears its transactions through secondary or sub-clearing (sometimes referred to as "a piggyback clearing") arrangement with First American Capital and Trading Corporation that in turn, has a fully disclosed introducing clearing agreement with Penson Financial Services, Inc. ("Penson"). The above entities are referred to jointly as the ("Clearing Brokers"). Although Penson maintains the accounts of all customers, the Company remains contingently liable for customers who do not fulfill their obligations.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents** - Cash equivalents are short-term, highly liquid investments with an original maturity of three months or less and are carried at cost, which approximates market value. The Company periodically maintains cash balances with financial institutions that are in excess of the insured limit.

**Receivables from clearing brokers** - Receivables from clearing brokers represents commissions and other monies due the Company from the Clearing Brokers. An allowance for doubtful accounts is not recorded since the Clearing Brokers adjust accounts monthly to actual results.

**Payables to clearing brokers** - Payables to clearing brokers represents debit balances in Company accounts held at Penson Financial Services, Inc.

**Property and equipment** - Property and equipment are recorded at cost. Repair and maintenance costs are charged to operations as incurred. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any gains or losses are included in operations. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the related assets. At December 31, 2011 the Company had no property and equipment.

**Securities transactions** - Firm (or principal) securities transactions, if any, are recorded on a trade date basis. Amounts receivable and payable for firm securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition. Customer (or agency) securities transactions, and the related clearing and commissions expenses are recorded on a settlement date basis, which is generally three business days after trade date. The Company's financial condition would not be materially different if these transactions were recorded on a trade date basis.

**Estimates** - The preparation of financial statements in accordance 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income taxes** - The Company, with the consent of its members, elected to be taxed as a partnership under the Internal Revenue Code. All taxable income or loss flows through to the members. Accordingly, no income tax expense or liability is recorded in the accompanying financial statement.

**Fair Value of Financial Instruments** - Substantially all of the company's financial assets and liabilities are carried at market value or at amounts, which, because of their short-term nature, approximate current fair value.

# **1<sup>ST</sup> MUNICH CAPITAL, LLC**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **3. RELATED PARTY TRANSACTIONS**

For the year ended December 31, 2011, the company paid commissions in the amount of \$1,931,757 to the Managing Member. At December 31, 2011, no amounts were due to the Managing Member.

Effective October 1, 2011, the Company executed an expense sharing agreement with First Capital Management, GmbH (FCM) which is wholly-owned by the Managing Member. The agreement stipulates the Company will pay \$11,615 per month to reimburse FCM for the Company's pro rata share of applicable operating expenses. Additionally, at the discretion of the Managing Member, the Company pays certain quotes and research expenses and professional fees on behalf of FCM. The amount due from affiliate on the accompanying statement of financial condition represents the excess of the amounts paid on behalf of FCM and the due to FCM under the expense sharing agreement.

### **4. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND CONCENTRATION OF CREDIT RISK**

The Company's customers' securities transactions are introduced on a fully disclosed basis to Penson. Penson is responsible for collection of and payment of funds and receipt and delivery of securities for customer transactions. Off- balance sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments and the Clearing Brokers may charge any losses to the Company. The Company seeks to minimize the risk through procedures designed to monitor creditworthiness of the customers and proper execution of transactions by the Clearing Brokers.

The company's revenue is 100% generated by trade activity from FCM in Munich, Germany. All assets in the Munich, Germany office are owned directly by Managing Member or indirectly by the Managing member through FCM.

### **5. NET CAPITAL REQUIREMENTS**

The Company's minimum net capital requirement under Rule 15c3-1 of the Securities and Exchange Commission is the greater of 6 2/3% of aggregate indebtedness (\$1,295 at December 31, 2011) or \$5,000. The Company operates pursuant to the (K)(2)(ii) exemption under SEC Rule 15c3-3 and does not hold customer funds or securities. The Company is, therefore, exempt from the reserve formula calculations and possession or control computations. At December 31, 2011, the net capital, as computed, was \$114,380. Consequently, the Company had excess net capital of \$109,380 over the minimum net capital requirement of \$5,000.

At December 31, 2011 the percentage of aggregate indebtedness to net capital was approximately 16.98% versus an allowable percentage of 1500%.

### **6. SUBSEQUENT EVENTS**

The company has evaluated subsequent events through February 3, 2012, the date which the financial statements were available to be issued, and has determined that the Company had no events occurring subsequent to December 31, 2011 requiring disclosure.

### **7. OTHER COMMITMENTS AND CONTINGENCIES**

The Company has no outstanding commitments or contingencies as of December 31, 2011.

**1ST MUNICH CAPITAL, LLC  
COMPUTATION OF NET CAPITAL PURSUANT TO SEC RULE 15c3-1  
AND RECONCILIATION OF NET CAPITAL PURSUANT TO SEC RULE 17a-5(d)(4)  
AS OF DECEMBER 31, 2011**

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<b>Computation of basic net capital requirements:</b>	
Total member's equity qualified for net capital	\$ 129,270
Deductions:	
Non-allowable assets	
Other assets	197
Due from Affiliate	14,692
Total non-allowable assets	<u>14,889</u>
Net capital before haircuts and securities positions	<u>114,381</u>
Haircuts	<u>1</u>
	<u>1</u>
Net capital	114,380
Minimum net capital requirements:	
6 2/3% of total aggregate indebtedness (\$19,424)	
Minimum dollar net capital for this broker-dealer (\$5,000)	
Net capital requirement (greater of above two requirements)	<u>5,000</u>
Net capital in excess of required minimum	<u>\$ 109,380</u>
Excess net capital at 1000%	<u>\$ 78,117</u>

There are no material differences between the preceding computation and the Company's corresponding unaudited part II of Form X-17A-5 as of December 31, 2011.

**1ST MUNICH CAPITAL, LLC  
COMPUTATION OF AGGREGATE INDEBTEDNESS  
UNDER RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2011**

**Total aggregate indebtedness:**

Accounts payable and accrued liabilities	<u>\$ 19,424</u>
Aggregate indebtedness	<u>\$ 19,424</u>

**Ratio of aggregate indebtedness  
to net capital**

16.98%

**1ST MUNICH CAPITAL, LLC**  
**INFORMATION RELATING TO EXEMPTIVE PROVISION**  
**REQUIREMENTS UNDER SEC RULE 15c3-3**  
**AS OF DECEMBER 31, 2011**

With respect to the Computation for Determination of Reserve Requirements under Rule 15c3-3, the Company qualifies for exemption under subparagraph (K) (2) (ii) of the Rule.

With respect to the Information Relating to Possession and Control Requirements under Rule 15c3-3, the Company qualifies for exemption under subparagraph (K) (2) (ii) of the Rule.

# Ohab and Company, P.A.

Certified Public Accountants

100 East Sybelia Avenue, Suite 130  
Maitland, FL 32751

E-Mail: ohabco@earthlink.net

Phone: 407-740-7311  
Fax: 407-740-6441

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

To the Members  
1<sup>st</sup> Munich Capital, LLC

In planning and performing our audit of the financial statements of 1<sup>st</sup> Munich Capital, LLC (the Company) as of and for the year ended December 31, 2011, 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 previously 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 *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 previously.

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, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, 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.

*Ohat and Company, PA*

Maitland, Florida  
February 3, 2012

# Ohab and Company, P.A.

100 E. Sybelia Ave. Ste. 130  
Maitland, FL 32751

*Certified Public Accountants*  
E-Mail: ohabco@earthlink.net

Phone 407-740-7311  
Fax 407-740-6441

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members  
1<sup>st</sup> Munich Capital, LLC  
Herzogstr. 60  
Munich, Germany 80803

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by 1<sup>st</sup> Munich Capital, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating 1<sup>st</sup> Munich Capital, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). 1<sup>st</sup> Munich Capital, LLC's management is responsible for the 1<sup>st</sup> Munich Capital, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011 noting no differences;
3. There were no adjustments reported in Form SIPC-7.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and the related schedules and working papers (Focus Reports and General Ledger) supporting there were no adjustments, noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences. There was no overpayment noted.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*What and Company. PK*

February 3, 2012

AMENDED

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

General Assessment Reconciliation

For the fiscal year ended 12/31 20 11

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

005411 FINRA DEC  
1ST MUNICH CAPITAL LLC 1717  
1400 W PALMETTO PARK RD STE 250  
BOCA RATON FL 33486-3322

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment (item 2e from page 2) \$ 5719
- B. Less payment made with SIPC-6 filed (exclude interest) (2674)  
7/12/11  
Date Paid
- C. Less prior overpayment applied (          )
- D. Assessment balance due or (overpayment) 3045
- E. Interest computed on late payment (see instruction E) for        days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 3045
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 3045
- H. Overpayment carried forward \$(            )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

1ST MUNICH CAPITAL LLC  
(Name of Corporation, Partnership or other organization)  
Don Benise  
(Authorized Signatory)  
FINRA / C.C.O.  
(Title)

Dated the 19<sup>TH</sup> day of JANUARY, 20 12.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions:           

Disposition of exceptions:

AMENDED

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period beginning JAN 1, 20 11 and ending DEC 31, 20 11

Item No.

2a Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents \$ 2679455 8515

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
(2) Net loss from principal transactions in securities in trading accounts.
(3) Net loss from principal transactions in commodities in trading accounts.
(4) Interest and dividend expense deducted in determining item 2a.
(5) Net loss from management of or participation in the underwriting or distribution of securities.
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
(7) Net loss from securities in investment accounts.

Total additions

0

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
(2) Revenues from commodity transactions.
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
(4) Reimbursements for postage in connection with proxy solicitation.
(5) Net gain from securities in investment accounts.
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

391875 0935

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 74

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

74 391949

2d. SIPC Net Operating Revenues

\$ 2287504

2e General Assessment @ .0025

\$ 5719

(to page 1, line 2.A.)