



SECURITIES AND COMMISSION

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

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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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
Financial Network Investment Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

200 North Sepulveda Boulevard  
(No. and Street)  
El Segundo California 90245-5672  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Mark Paul Shelton (320) 229-3191  
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Deloitte & Touche LLP  
(Name - if individual, state last, first, middle name)  
350 South Grand Avenue Los Angeles California 90071-3462  
(Address) (City) (State) (Zip Code)

CHECK ONE:

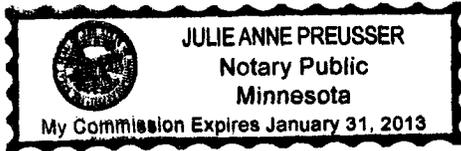
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).  
SEC 1410 (06-02)

## OATH OR AFFIRMATION

I, Mark Paul Shelson, affirm that, to the best of my knowledge and belief, the accompanying financial statements for the year ended December 31, 2011, and supplemental schedules as of December 31, 2011, pertaining to Financial Network Investment Corporation (the "Company") are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.



Mark Paul Shelson 02/22/12  
Signature Date  
Chief Financial Officer  
Title

Julie Anne Preusser  
Notary Public

This report \*\* contains (check all applicable boxes):

- (x) Independent Auditors' Report
- (x) (a) Facing Page
- (x) (b) Statement of Financial Condition
- (x) (c) Statement of Income
- (x) (d) Statement of Cash Flows
- (x) (e) Statement of Changes in Stockholder's Equity
- ( ) (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors (Not Applicable)
- (x) Notes to Financial Statements
- (x) (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934
- (x) (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (exempt from requirements. See Note 10 to financial statements)
- (x) (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (exempt from requirements. See Note 10 to financial statements)
- (x) (j) A Reconciliation, including Appropriate Explanations of the Computation of Net Capital under Rule 15c3-1 (included in item g) and the Computation for Determination of the Reserve Requirements under Exhibit A of Rule 15c3-3 (Not Required)
- ( ) (k) A Reconciliation between the Audited and Unaudited Statements of Financial Condition with Respect to Methods of Consolidation (not applicable)
- (x) (l) An Oath or Affirmation
- (x) (m) A Copy of the SIPC Supplemental Report (Filed as a Separate Document)
- (x) (n) A Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control)

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

# FINANCIAL NETWORK INVESTMENT CORPORATION

## STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2011

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### ASSETS

Cash and cash equivalents	\$ 34,816,423
Deferred compensation plan investments	32,188,569
Commissions receivable	15,758,531
Notes receivable — Net of allowance for uncollectible notes of \$2,571,848	38,004,657
Deferred income tax assets — net	15,889,509
Receivable from affiliates	1,220,754
Other assets	<u>6,791,087</u>
TOTAL	<u>\$ 144,669,530</u>

### LIABILITIES AND STOCKHOLDER'S EQUITY

#### LIABILITIES:

Commissions payable	\$ 23,283,341
Deferred compensation plan accrued liabilities	32,238,357
Other liabilities	<u>8,164,161</u>
Total liabilities	<u>63,685,859</u>

#### STOCKHOLDER'S EQUITY:

Common stock, \$0.001 par value — authorized, 5,000,000 shares; issued and outstanding, 1,000,000 shares	1,000
Additional paid-in capital	58,899,027
Retained earnings	<u>22,083,644</u>
Total stockholder's equity	<u>80,983,671</u>

TOTAL	<u>\$ 144,669,530</u>
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See notes to financial statements.