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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

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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

Maxim Group LLC

OFFICIAL USE ONLY
FIRM ID NO.

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

99 Sunnyside Boulevard Extension

(No. and Street)

Woodbury

New York

11797

(City)

(State)

(Zip Code)

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

Timothy G. Murphy

(212) 895-3863

(Area Code -Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT (whose opinion is contained in this Report*)

Wagner & Zwerman LLP

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

450 Wireless Boulevard

Hauppauge

New York

11788

(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)

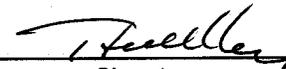
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APR 4/4

Oath or Affirmation

I, Timothy G. Murphy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Maxim Group LLC as of December 31, 2011 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:

CAROLANN MAISANO
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01MA6187134
QUALIFIED IN SUFFOLK COUNTY
COMMISSION EXPIRES 05-12-2012


Signature
Chief Financial Officer
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 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 15c3-3.
- (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).

MAXIM GROUP LLC

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2011

MAXIM GROUP LLC
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DECEMBER 31, 2011

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WAGNER & ZWERMAN LLP

Certified Public Accountants

Mark Wagner, CPA
Andrew M. Zwerman, CPA
Vincent J. Preto, CPA

450 Wireless Boulevard, Hauppauge, NY 11788
(631) 777-1000 Fax (631) 777-1008
Email: staff@wzcpafirm.com

INDEPENDENT AUDITORS' REPORT

To the Members of
Maxim Group LLC
Woodbury, NY

We have audited the accompanying statement of financial condition of Maxim Group LLC as of December 31, 2011, and the related statements of income, changes in members' equity 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Maxim Group 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.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
Hauppauge, NY
February 24, 2012

MAXIM GROUP LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2011

ASSETS

Cash and cash equivalents		\$ 9,130,526
Deposit with clearing broker		500,000
Receivable from broker-dealers and clearing organizations		5,299,665
Securities owned, at fair value		20,366,745
Employee forgivable loans		1,340,627
Prepaid expenses		384,757
Goodwill		2,946,806
Security deposits, officers' loans receivable and other assets		3,080,052
Furniture and office equipment	\$ 25,128	
Leasehold improvements	630,467	
	<u>655,595</u>	
Less accumulated depreciation	(418,457)	
Total property and equipment		<u>237,138</u>
Total assets		<u><u>\$ 43,286,316</u></u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Securities sold, not yet purchased, at fair value		\$ 18,206,029
Accounts payable, accrued expenses, and other liabilities		5,163,879
		<u>23,369,908</u>
Members' equity		<u>19,916,408</u>
Total liabilities and members' equity		<u><u>\$ 43,286,316</u></u>

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

MAXIM GROUP LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

Revenues	
Commissions	\$ 38,541,145
Principal transactions	23,871,983
Investment banking and underwriting	8,299,768
Interest and dividends	458,230
Service fees	2,083,769
Floor brokerage	1,385,641
Other income	3,917,199
	<u>78,557,735</u>
Expenses	
Employee compensation and benefits	56,075,060
Floor brokerage, exchange and clearance fees	2,659,494
Communications and data processing	4,667,837
Occupancy	2,875,781
Management fees - related parties	1,200,000
Other expenses	7,753,333
	<u>75,231,505</u>
Net income before income taxes	3,326,230
Provision for income taxes	<u>182,455</u>
Net income	<u><u>\$ 3,143,775</u></u>

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

MAXIM GROUP LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>TOTAL EQUITY</u>	<u>MAXIM PARTNERS LLC</u>	<u>MJR HOLDINGS, INC.</u>
Balance, January 1, 2011	\$ 17,434,064	\$ 17,494,754	\$ (60,690)
Capital contributions	4,690,000	4,690,000	-
Net income	3,143,775	2,892,273	251,502
Distributions	<u>(5,351,431)</u>	<u>(5,177,518)</u>	<u>(173,913)</u>
Balance, December 31, 2011	<u>\$ 19,916,408</u>	<u>\$ 19,899,509</u>	<u>\$ 16,899</u>

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

MAXIM GROUP LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 3,143,775
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	267,088
Employee forgivable loans forgiven	1,075,386
(Increase) decrease in operating assets:	
Receivable from broker-dealers and clearing organizations	(1,431,171)
Prepaid expenses	211,469
Securities owned	1,459,477
Security deposits and other assets	128,262
Increase (decrease) in operating liabilities:	
Accounts payable, accrued expenses and other liabilities	(330,331)
Securities sold, not yet purchased	592,512
	<u>5,116,467</u>
Net cash provided by operating activities	<u>5,116,467</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Advances) of employee forgivable loans	(1,135,000)
(Increase) in officers' loans receivable	(174,278)
	<u>(1,309,278)</u>
Net cash (used in) investing activities	<u>(1,309,278)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions	4,690,000
(Distributions) to members	(5,351,431)
	<u>(661,431)</u>
Net cash (used in) financing activities	<u>(661,431)</u>
Net increase in cash and cash equivalents	3,145,758
Beginning cash and cash equivalents	<u>5,984,768</u>
Ending cash and cash equivalents	<u><u>\$ 9,130,526</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Interest paid	\$ -
Taxes paid	\$ 173,418

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

MAXIM GROUP LLC**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011****NOTE 1: ORGANIZATION AND NATURE OF BUSINESS**

Maxim Group LLC (“the Company”) is a securities broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company was created on April 11, 2002 and began business on October 23, 2002. The Company clears its securities transactions on a fully disclosed basis through a clearing broker. The Company’s main office is located in Woodbury, New York, and other offices are maintained in New York City, New York and Red Bank, New Jersey. Beginning in 2012, the Company will also be maintaining an office in Boca Raton, Florida. The Company conducts business in all fifty states, Puerto Rico, and Washington, D.C.

The Company is a New York Limited Liability Company owned 92% by Maxim Partners LLC and 8% by MJR Holdings, Inc. The Company has seventy-two non-equity members, as discussed in Note 10. Maxim Partners LLC is owned by MJR Holdings LLC and individual minority interests. The members of MJR Holdings LLC and the Class A members of Maxim Partners LLC make up the executive management of the Company.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the major accounting policies is presented to assist the reader in evaluating the financial statements and other data contained herein.

BASIS OF ACCOUNTING

The Company’s policy is to prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Company uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that the Company uses.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents.

RECEIVABLES

Receivables from clearing organizations are recorded based on trade-date, while other receivables are recorded when earned and when the amount is reasonably determinable. All receivables are stated at the amount management expects to collect on current outstanding balances. Management evaluates collectability of receivables periodically and adjusts the balance to the amount it expects to collect. Management believes its risk of loss on currently recorded receivables is minimal and, accordingly, no allowance for doubtful accounts has been provided.

SECURITIES OWNED AND SECURITIES SOLD, NOT YET PURCHASED

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost and is depreciated using the straight line method over their estimated useful lives. Maintenance and repairs are charged to expenses as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations. Depreciation expense for the year ended December 31, 2011 was \$267,088.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOODWILL

FASB ASC 350, *Goodwill and Other Intangible Assets*, provides that Goodwill should be reviewed annually for impairment or more frequently if events or circumstances indicate an impairment may be present. The Company tests for impairment by comparing the carrying value and the fair value of each reporting unit to which goodwill relates. An impairment loss is recorded for the excess of the carrying value over the fair value of goodwill. The Company performed its annual impairment test and no impairment was noted.

COMMISSION INCOME

Commission income and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

INVESTMENT BANKING AND UNDERWRITING INCOME

Investment banking and underwriting revenues include gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking revenues also include fees earned from providing merger-and-acquisition and financial restructuring advisory services. Investment banking revenues are earned when the Company serves as the lead underwriter in the offering. Underwriting revenues are earned when the Company serves as an underwriter on an offering and another firm is the lead. Investment banking management fees, sales concessions, and underwriting fees are all recorded on the trade date, or at the time the income is reasonably determinable.

INCOME TAXES

The Company has elected under the Internal Revenue Code and applicable state laws to be taxed as a partnership. In lieu of Company income taxes, the members of a Limited Liability Company are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal and state income taxes has been included in these financial statements. The Company is obligated to pay New York City Unincorporated Business Tax on its net income allocable to New York City, and other miscellaneous taxes to various states. Provision for these taxes is included in the statement of income.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

INCOME TAXES - (Continued)

Accounting principles generally accepted in the United States requires management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that the Company's income tax returns for the years 2008 through 2011 remain subject to examination, based on the normal statutory periods subject to audit, notwithstanding any events or circumstances that may exist which could expand the open period.

SUBSEQUENT EVENTS

The Company has evaluated events and transactions that occurred through February 24, 2012, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 3: UNINSURED CASH BALANCES

The Company maintains cash balances with high quality financial institutions and may periodically exceed federally insured limits. Non-interest bearing accounts are fully insured by the Federal Deposit Insurance Corporation ("FDIC"), while all other accounts are subject to a limit of \$250,000 per institution. Amounts in excess of FDIC limits at December 31, 2011 were \$2,542,391.

MAXIM GROUP LLC

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

CONTINUED

NOTE 4: EMPLOYEE FORGIVEABLE LOANS

Throughout the year, the Company made advances to some of its registered representatives. Pursuant to the registered representatives' employment agreements, the Company forgives a portion of these advances as the registered representatives earn commissions, each month over the duration of employment, and records the amounts forgiven as compensation to the registered representatives. If the registered representatives prematurely terminate their employment with the Company, the remaining un-forgiven balance becomes immediately payable to the Company by the registered representative. These agreements are in writing and are signed by the registered representatives and the Company. Interest is accrued on these advances, at various rates, and the amount forgiven and recorded as compensation includes both principal and interest.

NOTE 5: RECEIVABLE FROM AND PAYABLE TO BROKER-DEALERS AND CLEARING ORGANIZATIONS

Amounts receivable from and payable to broker-dealers and clearing organizations at December 31, 2011, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Receivable from clearing organizations	\$ 2,142,777	\$ 0
Fees and commissions receivable	<u>3,156,888</u>	<u>0</u>
Total	<u>\$ 5,299,665</u>	<u>\$ 0</u>

NOTE 6: FAIR VALUE

FAIR VALUE MEASUREMENT

FASB ASC 820 defines fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 6: FAIR VALUE – (Continued)

FAIR VALUE MEASUREMENT – (Continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly, and include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

MAXIM GROUP LLC

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**NOTE 6: FAIR VALUE** – (Continued)

All of the Company's securities are valued at the closing price reported in the active market in which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2011.

Fair Value Measurements on a Recurring Basis
As of December 31, 2011

ASSETS	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Securities owned:</u>				
U.S. government and agency	\$ 908,476	\$ 0	\$ 0	\$ 908,476
State and municipal obligations	1,828,142	0	0	1,828,142
Corporate bonds, debentures, and notes	14,607,379	0	0	14,607,379
Corporate stocks	2,677,014	0	0	2,677,014
Options	<u>345,734</u>	<u>0</u>	<u>0</u>	<u>345,734</u>
Totals	<u>\$20,366,745</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$20,366,745</u>

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 6: FAIR VALUE – (Continued)

Fair Value Measurements on a Recurring Basis
As of December 31, 2011

LIABILITIES

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Securities sold, not yet purchased:</u>				
U.S. government and agency	\$ 1,431,430	\$ 0	\$ 0	\$1,431,430
Corporate bonds, debentures, and notes	14,261,799	0	0	14,261,799
Corporate stocks	1,688,404	0	0	1,688,404
Options	<u>824,396</u>	<u>0</u>	<u>0</u>	<u>824,396</u>
Totals	<u>\$18,206,029</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$18,206,029</u>

NOTE 7: NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company is required to maintain minimum net capital, the greater of \$250,000, two percent of aggregate debit items, as defined by Rule 15c3-3, or, in the case of a market maker, minimum capital based on the number of securities in which the Company makes a market up to a maximum of \$1,000,000. At December 31, 2011 the Company's net capital of \$8,930,444, calculated pursuant to Rule 15c3-1, was in excess of its minimum required net capital by \$7,930,444.

NOTE 8: OPERATING LEASES WITH NON-RELATED PARTIES

NEW YORK CITY OFFICE OPERATING LEASE

The Company leases a portion of its New York City office from TS 405 Lexington Owner, LLC. The monthly payments are \$122,118 per month, plus any escalations as outlined in the agreement. The lease terminates on June 30, 2021.

The Company is recognizing rent expense on a straight line basis, over the life of the lease. As of December 31, 2011, the Company had a balance in deferred rent of \$529,837, which is included in accounts payable, accrued expenses, and other liabilities on the statement of financial condition.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 8: OPERATING LEASES WITH NON-RELATED PARTIES – (Continued)

NEW YORK CITY OFFICE OPERATING LEASE – (Continued)

The Company sub-leases a portion of its New York City office from Wells Fargo Advisors, LLC pursuant to a sub-lease agreement that terminates on June 29, 2015. The current monthly rent payments are \$47,870, plus any required escalations. The Company negotiated a lease directly with the landlord to commence upon termination of the sub-lease arrangement. The new monthly rent payments will be \$50,135, plus any required escalations. This new lease terminates in June 2021.

A Letter of Credit in the amount \$862,269, was required by the landlord for the New York City operating leases detailed above, and is included in security deposits and other assets on the statement of financial condition as of December 31, 2011.

In addition, pursuant to various equipment and office leases and maintenance agreements, the Company is obligated to make monthly rent and maintenance payments.

The total rent expense relating to the office leases listed above was \$2,174,968 for the year ended December 31, 2011.

The approximate minimum lease payments are as follows:

<u>Years Ended</u>	<u>Amounts</u>
12/31/12	\$ 2,707,150
12/31/13	2,385,142
12/31/14	2,230,253
12/31/15	1,968,468
12/31/16	2,164,930
Years thereafter	<u>9,587,636</u>
Total	<u>\$ 21,043,579</u>

MAXIM GROUP LLC

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

CONTINUED

NOTE 9: OPERATING LEASES WITH RELATED PARTIES

WOODBURY OFFICE OPERATING LEASE

The Company sub-leases its Woodbury office from Maxim Partners LLC, a related entity, pursuant to a lease agreement expiring on February 28, 2013. The monthly payments, which the Company pays directly to the original lessor, are \$30,402, plus any escalations required by the original lease between Maxim Partners LLC and the lessor.

The approximate minimum lease payments for this lease are as follows:

<u>Years Ended</u>	<u>Amount</u>
12/31/12	\$ 369,690
12/31/13	<u>93,030</u>
Total	<u>\$ 462,720</u>

Of the total expenses relating to the above, Maxim Partners LLC was paid \$-0- and the non-related party was paid \$378,703 for the year. These amounts are included in occupancy expenses in the statement of income.

NOTE 10: OTHER RELATED PARTY TRANSACTIONS

COMPENSATION TO MEMBERS

Included in Employee Compensation and Benefits in the statement of income are guaranteed payments to various individuals who are non-equity members of the Company. Some of these non-equity members are also owners of Maxim Partners LLC, MJR Holdings, Inc. and MJR Holdings LLC, related companies. Total guaranteed payments for the year ended December 31, 2011 were \$25,568,238.

MJR HOLDINGS LLC

The Company has agreed to pay management fees to MJR Holdings LLC, a related entity, for various services provided to the Company. This arrangement is pursuant to a written agreement between the parties. The total management fee paid to MJR Holdings LLC for the year ended December 31, 2011 was \$600,000.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 10: OTHER RELATED PARTY TRANSACTIONS – (Continued)

MJR HOLDINGS, INC.

The Company has agreed to pay management fees to MJR Holdings, Inc., a related entity, for various services provided to the Company. This arrangement is pursuant to a written agreement between the parties. The total management fee paid to MJR Holdings, Inc. for the year ended December 31, 2011 was \$600,000.

MAXIM FINANCIAL ADVISORS LLC

The Company entered into a fee payment agreement with Maxim Financial Advisors LLC, a related entity through common ownership. Maxim Financial Advisors LLC is obligated to pay the Company a fee for the rendering of services by the Company. The income received by the Company is eighty percent of the fees generated by the investment advisory representatives of Maxim Financial Advisors LLC, who are also registered representatives of the Company. The total fee income from Maxim Financial Advisors LLC for the year ended December 31, 2011 was \$221,893.

OFFICERS' LOANS RECEIVABLE

The Company advances or is advanced loans at various times during the year to, or from, officers of the Company. These loans are informal and bear interest at the bank's prime rate, which was 3.25% at December 31, 2011. The balance on these loans was \$1,880,648 at December 31, 2011, and includes interest of \$57,357. These amounts are included in security deposits and other assets on the statement of financial position.

NOTE 11: PROFIT SHARING AND 401-K RETIREMENT PLAN

The Company maintains a defined contribution profit sharing plan, covering employees that meet certain requirements of the plan. The plan provides for annual discretionary contributions by the Company. For the year ended December 31, 2011 the Company's contribution was \$462,769, net of forfeitures.

MAXIM GROUP LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 11: PROFIT SHARING AND 401-K RETIREMENT PLAN – (Continued)

The Company maintains a 401-k Retirement Plan, covering employees that meet certain requirements of the plan. The plan allows each employee to make contributions up to the Internal Revenue Code's annual limitations. In addition, the plan provides for annual matching contributions by the Company. For the year ending December 31, 2011 the Company's matching contribution was \$39,057, net of forfeitures.

NOTE 12: COMMITMENTS AND CONTINGENCIES – LEGAL MATTERS

Maxim Group LLC is involved in various claims, suits, investigations, and legal proceedings that arise from time to time in the ordinary course of its business. As required by FASB ASC 450, *Accounting for Contingencies*, Maxim accrues a liability when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. There are currently no legal matters which are both probable and reasonably estimable as of December 31, 2011.

WAGNER & ZWERMAN LLP

Certified Public Accountants

Mark Wagner, CPA
Andrew M. Zwerman, CPA
Vincent J. Preto, CPA

450 Wireless Boulevard, Hauppauge, NY 11788
(631) 777-1000 Fax (631) 777-1008
Email: staff@wzefirm.com

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION

To the Members of
Maxim Group LLC
Woodbury, NY

We have audited the financial statements of Maxim Group LLC as of and for the year ended December 31, 2011, and have issued our report thereon dated February 24, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information contained on Pages 19 through 23 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.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
Hauppauge, NY
February 24, 2012

MAXIM GROUP LLC
SUPPLEMENTARY INFORMATION
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2011

Credits		
Members' equity		\$19,916,408
Debits		
Non-allowable assets:		
Receivables and employee forgivable loans	\$ 2,221,451	
Prepaid expenses	384,757	
Furniture and equipment (net)	237,138	
Goodwill	2,946,806	
Other assets	<u>3,068,185</u>	
		<u>(8,858,337)</u>
Net capital before haircuts on securities positions		11,058,071
Haircuts on securities:		
Trading and investment securities:		
Exempted securities	98,684	
Debt securities	1,619,076	
Options	65,344	
Other securities	<u>344,523</u>	
		<u>(2,127,627)</u>
Net capital		<u><u>\$ 8,930,444</u></u>
Computation of alternative net capital requirement:		
Company does not carry debit items and is not subject to 2% of aggregate debit items (or \$250,000 if greater) as shown in formula for reserve requirements pursuant to Rule 15c3-3	\$	-
Minimum dollar net capital requirement based on capital requirements for market makers.	\$	1,000,000
Net capital requirement		<u><u>\$ 1,000,000</u></u>
Excess net capital		<u><u>\$ 7,930,444</u></u>

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

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

**MAXIM GROUP LLC
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2011**

The Company is exempt under Section (k)(2)(ii) of Rule 15c3-3. Accordingly, there are no items to report under the requirements of this rule.

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

WAGNER & ZWERMAN LLP

Certified Public Accountants

Mark Wagner, CPA
Andrew M. Zwerman, CPA
Vincent J. Preto, CPA

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(631) 777-1000 Fax (631) 777-1008
Email: staff@wzcpafirm.com

Independent Auditors' Report on Internal Control **Required by SEC Rule 17a-5(g)(1)**

To the Members of
Maxim Group LLC
Woodbury, NY

In planning and performing our audit of the financial statements of Maxim Group 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 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 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 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.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
Hauppauge, NY
February 24, 2012

MAXIM GROUP LLC

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
RELATED TO AN ENTITY'S SIPC
ASSESSMENT RECONCILIATION

DECEMBER 31, 2011

WAGNER & ZWERMAN LLP
Certified Public Accountants

SEC
Mail Processing
Section

FEB 29 2012

Washington, DC
123

MAXIM GROUP LLC

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
RELATED TO AN ENTITY'S SIPC
ASSESSMENT RECONCILIATION

DECEMBER 31, 2011

WAGNER & ZWERMAN LLP

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

To the Members of
Maxim Group LLC
Woodbury, NY

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 Maxim Group 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 Maxim Group LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Maxim Group LLC's management is responsible for the Maxim Group 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 in the general ledger, 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. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers in our Calculation of SIPC Assessment, noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers in our Calculation of SIPC Assessment, supporting the adjustments noting no differences.

WAGNER & ZWERMAN LLP

Certified Public Accountants

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.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
February 24, 2012

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

SIPC-7

(33-REV 7/10)

For the fiscal year ended _____, 20____
(Read carefully the instructions in your Working Copy before completing this Form)

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:

065337 FINRA DEC
MAXIM GROUP LLC 14*14
ATTN: TIMOTHY MURPHY/CFO
99 SUNNYSIDE BLVD
WOODBURY NY 11797-2946

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.

David Tchaikowitz-212-895-3717

2. A. General Assessment (item 2e from page 2)	\$ 191,014.24
B. Less payment made with SIPC-6 filed (exclude interest)	(97,126.46)
<u>July 27, 2011</u> Date Paid	
C. Less prior overpayment applied	(0.00)
D. Assessment balance due or (overpayment)	0.00
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	0.00
F. Total assessment balance and interest due (or overpayment carried forward)	\$ 93,887.78
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$ 93,887.78
H. Overpayment carried forward	\$(0.00)

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.

Maxim Group LLC

(Name of Corporation, Partnership or other organization)

[Signature]
Chief Financial Officer

(Authorized Signature)

(Title)

Dated the 2nd day of February, 2012.

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:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning Jan. 1, 2011
and ending Dec. 31, 2011

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>78,557,735.77</u>
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	<u>0.00</u>
(2) Net loss from principal transactions in securities in trading accounts.	<u>0.00</u>
(3) Net loss from principal transactions in commodities in trading accounts.	<u>0.00</u>
(4) Interest and dividend expense deducted in determining item 2a.	<u>0.00</u>
(5) Net loss from management of or participation in the underwriting or distribution of securities.	<u>0.00</u>
(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.	<u>0.00</u>
(7) Net loss from securities in investment accounts.	<u>0.00</u>
Total additions	<u>0.00</u>
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.	<u>320,068.30</u>
(2) Revenues from commodity transactions.	<u>0.00</u>
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u>1,677,137.08</u>
(4) Reimbursements for postage in connection with proxy solicitation.	<u>0.00</u>
(5) Net gain from securities in investment accounts.	<u>0.00</u>
(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.	<u>0.00</u>
(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).	<u>0.00</u>
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	
<hr/>	
(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.	<u>\$ 0.00</u>
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	<u>\$ 154,833.51</u>
Enter the greater of line (i) or (ii)	<u>154,833.51</u>
Total deductions	<u>2,152,038.89</u>
2d. SIPC Net Operating Revenues	<u>\$76,405,696.88</u>
2e. General Assessment @ .0025	<u>\$ 191,014.24</u>
	(to page 1, line 2.A.)