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UNITED STATES

SEC SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

Washington DC
402

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

OMB APPROVAL	
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FEB 28 2013

REPORT FOR THE PERIOD BEGINNING

01/01/12

MM/DD/YY

AND ENDING

12/31/12

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: JUB Financial Group, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2700 N. Military Trail, Suite 200

(No. and Street)

Boca Raton

(City)

FL

(State)

33431

(Zip Code)

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

Robert Oobie

215-701-9678

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Grant Thornton, LLP

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

2001 Market St., Suite 3100, Philadelphia, PA 19103

(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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SEC 1410 (06-02)

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3/9/13

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

OATH OR AFFIRMATION

I, Robert D. Dobie, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JVB Financial Group, LLC, as of December 31, 20 12, 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
CFO
Title



[Signature]
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).

Report Pursuant to Rule 17a-5 and Report of Independent Registered Public Accounting Firm

JVB Financial Group, LLC (a wholly owned subsidiary of JVB Financial Holdings, LLC)

December 31, 2012



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Audit • Tax • Advisory

Grant Thornton LLP
2001 Market Street, Suite 3100
Philadelphia, PA 19103-7080

T 215.561.4200
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Board of Managers
JVB Financial Group, LLC

We have audited the accompanying statement of financial condition of JVB Financial Group, LLC (a Florida Limited Liability Company) (the “Company”) as of December 31, 2012, and the related statements of operations, changes in member’s 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included 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 JVB Financial Group, LLC as of December 31, 2012, 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 basic financial statements taken as a whole. The information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is required by Rule 17a-5 under the Securities Exchange Act of 1934. Such supplementary information is the responsibility of management. The 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.

Grant Thornton LLP

Philadelphia, Pennsylvania

February 27, 2013

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Statement of Financial Condition
December 31, 2012
(Dollars in thousands)

Assets	
Cash and cash equivalents	\$ 163
Receivables from brokers, dealers, and clearing agencies	8,408
Investments - trading	54,128
Other assets	540
Total assets	\$ 63,239
Total liabilities and member's equity	
Accounts payable and other liabilities	\$ 209
Payables to brokers, dealers, and clearing agencies	39,907
Accrued compensation	1,848
Due to related party	103
Trading securities sold, not yet purchased	6,336
Total liabilities	48,403
Member's equity	14,836
Total member's equity	14,836
Total liabilities and member's equity	\$ 63,239

See accompanying notes to the financial statements

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Statement of Operations
For the Year Ended December 31, 2012
(Dollars in thousands)

Revenues	
Net trading	\$ 23,070
Total revenues	<u>23,070</u>
Operating expenses	
Compensation and benefits	16,903
Business development, occupancy, equipment	754
Subscriptions, clearing, and execution	2,832
Professional fees and other operating	<u>499</u>
Total operating expenses	<u>20,988</u>
Net Income	<u>\$ 2,082</u>

See accompanying notes to the financial statements

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Statement of Changes in Member's Equity
For the Year Ended December 31, 2012
(Dollars in thousands)

	Member's equity
Balance at December 31, 2011	\$ 13,443
Distributions to JVB Holdings	(689)
Net income	2,082
Balance at December 31, 2012	<u>\$ 14,836</u>

See accompanying notes to the financial statements

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Statement of Cash Flows
For the Year Ended December 31, 2012
(Dollars in thousands)

Cash flows from operating activities

Net income \$ 2,082

Adjustment to reconcile net income to net provided by operating activities:

Changes in operating assets and liabilities:

Increase in investments-trading, net	(19,134)
Decrease in trading securities sold, not yet purchased, net	(961)
Change in receivables from / payables to brokers, dealers, and clearing agencies, net	18,707
Change in receivables from / payables to related parties, net	80
Increase in other assets	(145)
Increase in accounts payable and other liabilities	9
Increase in accrued compensation	100

Net cash provided by operating activities 738

Cash flows used by financing activities

Distributions to JVB Holdings	(689)
Net cash used in financing activities	<u>(689)</u>

Net increase in cash and cash equivalents 49

Cash and cash equivalents at the beginning of the year 114

Cash and cash equivalents at the end of the year \$ 163

See accompanying notes to the financial statements

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

1. COMPANY AND FORMATION

JVB Financial Group, LLC (the "Company" or "JVB") is a broker dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC"). The Company is a Florida Limited Liability Company that is a wholly owned subsidiary of JVB Financial Holdings, LLC ("JVB Holdings"). JVB is a wholly owned subsidiary of IFMI, LLC (the "Operating LLC"), which is a majority owned subsidiary of Institutional Financial Markets, Inc. ("IFMI").

The Company provides trade execution to broker dealers, and institutions and specializes in the following products: high grade corporate bonds, high yield corporate bonds, municipal bonds, asset backed securities, mortgage backed securities, collateralized mortgage obligations, certificates of deposit, commercial mortgage backed securities, residential mortgage backed securities, U.S. government bonds, U.S. government agency securities, whole loans, and other structured financial instruments.

All customer accounts are held and cleared through Pershing LLC, a subsidiary of The Bank of New York.

2. BASIS OF PRESENTATION

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Company has evaluated subsequent events through the date and the time the financial statements were available to be issued on February 27, 2013. No material subsequent events have occurred since December 31, 2012 and through February 27, 2013 that required recognition or disclosure in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions and estimates 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short term, highly liquid investments that have maturities of three months or less.

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

C. Receivables from and Payables to Brokers, Dealers and Clearing Agencies

Receivables from brokers, dealers and clearing agencies consist of the following: (i) deposits with Pershing, LLC, the Company's clearing broker, to support the Company's securities trading activities and (ii) net receivables for funds to cover the securities sold and trades made with various counterparties that had not settled at December 31, 2012. The receivables are short term in nature.

Payables to brokers, dealers and clearing agencies consist of the margin payable with the Company's clearing broker. These payables are short term in nature. As of December 31, 2012, the applicable rate on margin payable was 1.9%. See note 4.

D. Financial Instruments

The Company accounts for its investment securities at fair value under various accounting literature including Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments – Debt and Equity Securities* ("FASB ASC 320"), pertaining to investments in debt and equity securities and the fair value option of financial instruments in FASB ASC 825, *Financial Instruments* ("FASB ASC 825").

Certain of the Company's assets and liabilities are required to be measured at fair value. For those assets and liabilities, the Company determines fair value using the fair value measurement provisions included in FASB ASC 820, *Fair Value Measurements and Disclosures* ("FASB ASC 820"). FASB ASC 820 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and requires additional disclosures about fair value measurements. The definition of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability between market participants at the measurement date (an exit price). An exit price valuation will include margins for risk even if they are not observable. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels ("Level 1, 2 and 3"). See notes 5, 6, and 7 for additional information regarding FASB ASC 820.

FASB ASC 320 requires that the Company classify its investments as either (i) held to maturity, (ii) available for sale, or (iii) trading. This determination is made at the time a security is purchased. FASB ASC 320 requires that both trading and available for sale securities are to be carried at fair value. However, in the case of trading assets, both unrealized and realized gains and losses are recorded in the statement of operations. For available for sale securities, only realized gains and losses are recognized in the statement of operations while unrealized gains and losses are recognized as a component of other comprehensive income in the statement of changes in member's equity.

In the period presented, all securities were classified as trading. No securities were classified as held to maturity or available for sale. For the period presented, all securities owned by the Company were accounted for at fair value with unrealized and realized gains and losses recorded in the statement of operations.

All securities that are classified as trading are included in investments-trading. The determination of fair value is based on quoted market prices of an active exchange, independent broker market quotations, valuations provided by pricing services or, when independent broker quotations or pricing service valuations are unavailable, valuation models prepared by the Company's management. These models include estimates and the valuations derived from them could differ materially from amounts realizable in an open market exchange.

JVB Financial Group, LLC
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Notes to the financial statements
December 31, 2012
(Dollars in thousands)

Investments-trading

Unrealized and realized gains and losses on securities classified as investments-trading are recorded in net trading in the statements of operations.

Trading Securities Sold, Not Yet Purchased

Trading securities sold, not yet purchased represent obligations of the Company to deliver the specified security at the contracted price, thereby creating a liability to purchase the security in the market at prevailing prices. The Company is obligated to acquire the securities sold short at prevailing market prices, which may exceed the amount reflected on the statement of financial condition. Unrealized and realized gains and losses on trading securities sold, not yet purchased are recorded in net trading in the statement of operations. See notes 5, 6 and 7.

E. Derivative Financial Instruments

FASB ASC 815, *Derivatives and Hedging* ("FASB ASC 815"), provides for optional hedge accounting. When a derivative is deemed to be a cash flow hedge and certain documentation and effectiveness testing requirements are met, reporting entities are allowed to record all or a portion of the change in the fair value of a designated hedge as an adjustment to other comprehensive income ("OCI") rather than as a gain or loss in the statements of operations. To date, the Company has not designated any derivatives as hedges under the provisions included in FASB ASC 815.

Derivative financial instruments are recorded at fair value in the statement of financial condition and are included within investments-trading and trading securities sold, not yet purchased.

The Company may, from time to time, enter into derivatives to manage its risk exposures arising from the Company's facilitation of mortgage-backed trading. Derivatives entered into by the Company, from time to time, may include purchase and sale agreements of "to-be-announced" securities ("TBAs"). TBAs are forward mortgage-backed securities whose collateral remain "to be announced" until just prior to the trade settlement. TBAs are accounted for as derivatives under FASB ASC 815 when either of the following conditions exists: (i) when settlement of the TBA trade is not expected to occur at the next regular settlement date (which is typically the next month) or (ii) a mechanism exists to settle the contract on a net basis. Otherwise, TBAs are recorded as a standard security trade. The settlement of these transactions is not expected to have a material effect on the Company's financial statements.

Derivatives involve varying degrees of off-balance sheet risk, whereby changes in the level or volatility of interest rates or market values of the underlying financial instruments may result in changes in the value of a particular financial instrument in excess of its carrying amount. Realized and unrealized gains and losses are recognized in net trading in the Company's statement of operations on a trade date basis. See note 7.

F. Revenue Recognition

Net trading: Net trading includes: (i) all gains, losses, and income (interest and dividend) from securities classified as investments-trading and trading securities sold, not yet purchased in the statement of financial

JVB Financial Group, LLC
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Notes to the financial statements
December 31, 2012
(Dollars in thousands)

condition; and (ii) commissions and riskless trading profits. Riskless principal trades are transacted through the Company's proprietary account with a customer order in hand, resulting in little or no market risk to the Company. Transactions are recognized on a trade date basis. The investments classified as trading are carried at fair value. Net trading is reduced by interest expense which is directly incurred to purchase income generating assets related to trading activities. Such interest expense is recorded on an accrual basis.

G. Due to/from Related Parties

The Company periodically receives advances from or advances money to JVB Holdings, the Operating LLC and other related parties. Advances to and from related parties are made on an interest free basis. The Company nets amounts due to or from each related party. Net advances to a related party are shown as a component of due from related parties and net advances from a related party are shown as a component of due to related parties in the statement of financial condition.

H. Fair Value of Financial Instruments

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments. These determinations were based on available market information and appropriate valuation methodologies. Considerable judgment is required to interpret market data to develop the estimates, and, therefore, these estimates may not necessarily be indicative of the amount the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. Refer to note 6 for a discussion of the fair value hierarchy.

Cash and cash equivalents: Cash is carried at historical cost which is assumed to approximate fair value. The estimated fair value measurement of cash and cash equivalents is generally classified within Level 1 of the valuation hierarchy.

Investments-trading: These amounts are carried at fair value. The fair value is based on either quoted market prices of an active exchange, independent market quotations, market price quotations from third party pricing services, or valuation models when quotations are not available.

Trading securities sold, not yet purchased: These amounts are carried at fair value. The fair value is based on quoted market prices of an active exchange, independent market quotations, market price quotations from third party pricing services, or valuation models when quotations are not available.

Derivatives: These amounts are carried at fair value. Derivatives are included as a component of investments-trading and trading securities sold, not yet purchased. See notes 6 and 7. The fair value is based on quoted market prices on an exchange that is deemed to be active.

I. Recently Adopted Accounting Standards

In April 2011, the FASB issued ASU No. 2011-03, *Reconsideration of Effective Control for Repurchase Agreements* ("ASU 2011-03"), which revised the criteria for assessing effective control for repurchase agreements and other

JVB Financial Group, LLC
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Notes to the financial statements
December 31, 2012
(Dollars in thousands)

agreements that both entitle and obligate a transferor to repurchase or redeem financial assets before their maturity. The determination of whether the transfer of a financial asset subject to a repurchase agreement is a sale is based, in part, on whether the entity maintains effective control over the financial asset. ASU 2011-03 removed from the assessment of effective control: the criterion requiring the transferor to have the ability to repurchase or redeem the financial asset on substantially agreed terms, even in the event of default by the transferee, and the related requirement to demonstrate that the transferor possesses adequate control to fund substantially all the cost of purchasing replacement financial assets. The amendments in ASU 2011-03 were effective for interim and annual reporting periods beginning on or after December 15, 2011, early adoption was prohibited, and the amendments were to be applied prospectively to transactions or modifications of existing transactions that occurred on or after the effective date. The Company's adoption of the provisions of ASU 2011-03 effective January 1, 2012 did not have an effect on the Company's financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"), which amended FASB ASC 820, *Fair Value Measurements*. The amended guidance changed the wording used to describe many requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Additional disclosure requirements included transfers between levels 1 and 2; and for level 3 fair value measurements, a description of the Company's valuation processes and additional information about unobservable inputs impacting level 3 measurements. Additionally, the amendments clarified the FASB's intent about the application of existing fair value measurement requirements. The amendments resulted in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. The guidance provided in ASU 2011-04 was effective for interim and annual periods beginning after December 15, 2011 and was to be applied prospectively. The Company's adoption of the provisions of ASU 2011-04 effective January 1, 2012 did not have a material effect on the Company's financial position and results of operations.

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

4. RECEIVABLES FROM AND PAYABLES TO BROKERS, DEALERS, AND CLEARING AGENCIES

Amounts receivable from brokers, dealers, and clearing agencies consist of the following at December 31, 2012:

Receivables from Brokers, Dealers, and Clearing Agencies (Dollars in Thousands)	
	December 31, 2012
Clearing Deposits with Brokers	\$ 100
Unsettled regular way trades	8,308
	<u>\$ 8,408</u>

Amounts payable to brokers, dealers, and clearing agencies consist of the following at December 31, 2012:

Payables to Brokers, Dealers, and Clearing Agencies (Dollars in Thousands)	
	December 31, 2012
Margin payable	\$ 39,907
	<u>\$ 39,907</u>

Securities transactions are recorded on a trade date, as if they had settled. The related amounts receivable and payable for unsettled securities transactions are recorded net in receivables from or payables to brokers, dealers, and clearing agencies on the Company's statement of financial condition. The Company incurred interest on margin payable of \$344 for the year ended December 31, 2012.

5. FINANCIAL INSTRUMENTS

Investments-Trading

The following table provides a detail of the investments classified as investments-trading as of December 31, 2012:

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

Investments - trading (Dollars in Thousands)	
Security Type	Carrying Value
U.S. government agency mortgage-backed securities and collateralized mortgage obligations	\$ 12,436
U.S. government agency debt securities	21,066
Commerical mortgage-backed securities	12
Residential mortgage-backed securities	583
Interests in securitizations	57
Corporate bonds and redeemable preferred stock	8,832
Foreign government bonds	35
Municipal bonds	8,276
Certificates of deposit	2,831
Total	<u>\$ 54,128</u>

Trading Securities Sold, Not Yet Purchased

The following table shows the carrying value of all trading securities sold, not yet purchased as of December 31, 2012:

Trading securities sold, not yet purchased (Dollars in Thousands)	
Security Type	Carrying Value
U.S. government agency mortgage-backed securities	\$ 8
U.S. Treasury securities	2,772
Corporate bonds	1,103
Municipal bonds -	128
Certificates of deposit	2,325
Total	<u>\$ 6,336</u>

The Company tries to manage its exposure to changes in interest rates for the interest rate sensitive securities it holds by entering into offsetting short positions for similar fixed rate securities.

The Company included the change in unrealized gains in the amount of \$1 in net trading revenue for the year ended December 31, 2012.

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

6. FAIR VALUE DISCLOSURES

Fair Value Measurements

In accordance with FASB ASC 820, the Company has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the hierarchy under ASC 820 are described below:

Level 1 Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Financial assets and liabilities whose values are based on one or more of the following:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in non-active markets;
3. Pricing models whose inputs are observable for substantially the full term of the asset or liability; or
4. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.
5. Values provided by independent pricing services.

Level 3 Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 category presented in the tables below may include changes in fair value that were attributable to both observable (e.g. changes in market interest rates) and unobservable (e.g. changes in unobservable long-dated volatilities) inputs.

A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the type of inputs may result in a reclassification for certain financial assets or liabilities. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended December 31, 2012. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the quarter in which reclassifications occur.

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2012, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value.

Fair Value Hierarchy				
Investments - trading				
(Dollars in Thousands)				
<u>Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. government agency mortgage-backed securities and collateralized mortgage obligations	-	12,436	-	12,436
U.S. government agency debt securities	-	21,066	-	21,066
Commerical mortgage-backed securities	-	12	-	12
Residential mortgage-backed securities	-	583	-	583
Interests in securitizations	-	57	-	57
Corporate bonds and redeemable preferred stock	-	8,832	-	8,832
Foreign government bonds	-	35	-	35
Municipal bonds	-	8,276	-	8,276
Certificates of deposit	-	2,831	-	2,831
	<u>-</u>	<u>54,128</u>	<u>-</u>	<u>54,128</u>

Fair Value Hierarchy				
Trading securities sold, not yet purchased				
(Dollars in Thousands)				
<u>Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. government agency mortgage-backed securities	-	8	-	8
U.S. Treasury securities	2,772	-	-	2,772
Corporate bonds	-	1,103	-	1,103
Municipal bonds	-	128	-	128
Certificates of deposit	-	2,325	-	2,325
	<u>2,772</u>	<u>3,564</u>	<u>-</u>	<u>6,336</u>

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
Notes to the financial statements
December 31, 2012
(Dollars in thousands)

The following provides a brief description of the types of financial instruments the Company holds, the methodology for estimating fair value, and the level within the hierarchy of the estimate. The discussion that follows applies regardless of whether the instrument is included in investments-trading, other investments, at fair value, or trading securities sold, not yet purchased.

U.S. Government Agency Mortgage-Backed Securities and Collateralized Mortgage Obligations: These are securities which are generally traded over-the-counter. The Company generally values these securities using third party quotations such as unadjusted broker-dealer quoted prices or market price quotations from third party pricing services. These valuations are based on a market approach. This is considered a Level 2 valuation in the hierarchy. In instances where the securities are either new issuances or experience illiquidity, such as collateralized mortgage obligations, more specifically agency inverse interest-only securities, principal only, and fixed interest only among others, the Company may use its own internal valuation models, which are based on an income approach. In some cases, the new issuances are senior in nature or fairly liquid, however due to the fact it is a new issuance, it is difficult to obtain third party pricing and the Company uses internal models to determine the fair value. In these cases, the Company will classify such an issuance as Level 3 within the hierarchy until it is able to obtain third party pricing. Fair values based on internal valuation models prepared by the Company's management are generally classified within Level 3 of the valuation hierarchy. In general, the fair values of U.S. government agency, and mortgage-backed securities and collateralized mortgage obligations which are classified as level 3 are determined primarily using discounted cash flow and option adjusted spread methodologies. Key inputs to these models are interest rates and prepayment rates. Attributes of the underlying mortgage loans, in the case of collateralized mortgage obligations, that affect the pricing inputs include, but are not limited to, weighted average coupon; average and maximum loan size; loan-to-value ratios; credit scores; documentation type; geographic location; weighted average loan age; originators; servicers; and historical prepayment. Yield curves used in the discounted cash flow models are based on observed market prices for comparable securities and published interest rate data to estimate market yields.

U.S. Government Agency Debt Securities: Callable and non-callable U.S. government agency debt securities are measured primarily based on quoted market prices obtained from third party pricing services. Non-callable U.S. government agency debt securities are generally classified within Level 1 of the fair value hierarchy and callable U.S. government agency debt securities are classified within Level 2.

Residential Mortgage-Backed Securities and Commercial Mortgage-Backed Securities: The Company generally values these securities using third party quotations such as unadjusted broker-dealer quoted prices or market price quotations from third party pricing services. These valuations are based on a market approach. These quotes generally represent indicative levels at which a party may be willing to enter into a transaction. The Company generally classifies the fair value of these securities within Level 2 of the valuation hierarchy. In instances where the Company is unable to obtain a reliable market price quotation from the third party pricing services and there are not substantially similar securities that trade frequently as the securities held in trading inventory, the Company determines the fair value of those securities by using its own internal valuation models, which are based on an income approach. Fair values based on internal valuation models prepared by the Company's management are generally classified within Level 3 of the valuation hierarchy. Information utilized in the Company's internal valuation models include the security's credit rating, coupon rate, estimated

JVB Financial Group, LLC
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Notes to the financial statements
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(Dollars in thousands)

prepayment speeds, expected weighted average life, collateral composition, estimated future interest rates, expected credit losses, credit enhancement, and recently executed transactions.

Interests in Securitizations: Interests in securitizations may be comprised of CDOs, CLOs, and ABS, which may include, but are not limited to, securities backed by auto loans, credit card receivables, or student loans. Where the Company is able to obtain independent market quotations from at least two broker-dealers and where a price within the range of at least two broker-dealers is used or market price quotations from third party pricing services is used, interests in securitizations will generally be classified as level 2 of the valuation hierarchy. These valuations are based on a market approach. The independent market quotations from broker-dealers are generally nonbinding. The Company seeks quotations from broker-dealers that historically have actively traded, monitored, issued, and been knowledgeable about interests in securitizations. The Company generally believes that to the extent (1) it receives two quotations in a similar range from broker-dealers knowledgeable about interests in securitizations, and (2) the Company believes the broker-dealers gather and utilize observable market information such as new issue activity in the primary market, trading activity in the secondary market, credit spreads versus historical levels, bid-ask spreads, and price consensus among market participants and sources, then classification as level 2 of the valuation hierarchy is appropriate. In the absence of two broker-dealer market quotations, a single broker-dealer market quotation may be used without corroboration of the quote in which case the Company generally classifies the fair value within level 3 of the valuation hierarchy.

If quotations are unavailable, prices observed by the Company for recently executed market transactions may be used or valuation models prepared by the Company's management may be used, which are based on an income approach. These models prepared by the Company's management include estimates and the valuations derived from them could differ materially from amounts realizable in an open market exchange. Fair values based on internal valuation models prepared by the Company's management are generally classified within level 3 of the valuation hierarchy.

Establishing fair value is inherently subjective given the volatile and sometimes illiquid markets for certain interests in securitizations and requires management to make a number of assumptions, including assumptions about the future of interest rates, discount rates and the timing of cash flows. The assumptions the Company applies are specific to each security. Although the Company may rely on internal calculations to compute the fair value of certain interest in securitizations, the Company requests and considers indications of fair value from third party pricing services to assist in the valuation process.

U.S. Treasury Securities: U.S. Treasury securities include U.S. Treasury bonds and the fair values of the U.S. Treasury securities that are based on quoted prices in active markets. Valuation adjustments are not applied. The Company classifies the fair value of these securities within Level 1 of the valuation hierarchy.

Corporate Bonds: The Company uses recently executed transactions or third party quotations from independent pricing services to arrive at the fair value of its investments in corporate bonds. These valuations are based on a market approach. The Company generally classifies the fair value of these bonds within Level 2 of the valuation hierarchy.

JVB Financial Group, LLC
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Municipal Bonds: Municipal bonds which include obligations of U.S. states, municipalities and political subdivisions primarily include bonds or notes issued by U.S. municipalities. The Company generally values these securities using third party quotations such as market price quotations from third party pricing services. The Company generally classifies the fair value of these bonds within Level 2 of the valuation hierarchy. The valuations are based on a market approach. In instances where the Company is unable to obtain reliable market price quotations from third party pricing services, the Company will use its own valuation models. In these cases, the Company will classify such securities as Level 3 within the hierarchy until it is able to obtain third party pricing.

Certificates of Deposit: The fair value of certificates of deposit is estimated using valuations provided by third-party pricing services. Certificates of deposit are generally recognized in Level 2 of the fair value hierarchy. However, in instances where the certificates of deposit are new issuances, or the payments of certificate of deposits are linked to an index, it may be difficult to obtain third party pricing and, in these cases, the Company uses internal models to determine fair value and the fair value is generally classified within Level 3 of the valuation hierarchy.

Derivatives: The Company accounts for TBAs as derivatives. The Company generally values these securities using third party quotations such as unadjusted broker-dealer quoted prices or market price quotations from third party pricing services. TBAs are generally classified within Level 2 of the fair value hierarchy. If there is limited transaction activity or less transparency to observe market based inputs to value models, TBAs are classified in Level 3 of the fair value hierarchy. U.S. government agency mortgage-backed securities and collateralized mortgage obligations include TBAs. Unrealized gains on TBAs are included in investments-trading on the Company's statement of financial condition and unrealized losses on TBAs are included in trading securities sold, not yet purchased on the Company's statement of financial condition. See note 7.

The following table presents additional information about assets and liabilities measured at fair value on a recurring basis and for which the Company has utilized Level 3 inputs to determine fair value for the year ended December 31, 2012:

JVB Financial Group, LLC
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December 31, 2012
(Dollars in thousands)

LEVEL 3 INPUTS					
Year Ended December 31, 2012					
	<u>January</u>	<u>Net</u>	<u>Purchases</u>	<u>Sales</u>	<u>December</u>
	<u>1, 2012</u>	<u>trading</u>			<u>31, 2012</u>
Assets:					
Investments-trading		-			
Residential mortgage-					
backed securities	\$ 4,932	\$ 17	\$ 170	\$ (5,119)	\$ -
Total investments-trading	<u>\$ 4,932</u>	<u>\$ 17</u>	<u>\$ 170</u>	<u>\$ (5,119)</u>	<u>\$ -</u>
(1) Represents the amount of total gains or losses for the period, included in earnings, relating to assets classified as Level 3 that are still held at December 31, 2012.					

7. DERIVATIVE FINANCIAL INSTRUMENTS

See note 3-E for a discussion of the Company's accounting policy on derivative financial instruments.

The Company may, from time to time, enter into the following derivative instruments:

*TBA*s

The Company trades U.S. Government agency obligations. In connection with these activities, the Company may be required to maintain inventory in order to facilitate customer transactions. In order to mitigate exposure to market risk, the Company enters in to the purchase and sale of TBAs. The Company carries the TBAs at fair value and includes them as a component of investments-trading or trading securities sold, not yet purchased in the Company's statement of financial condition.

At December 31, 2012, the Company had \$9,375,000 of open TBA sale agreements and no open TBA purchase agreements. As of December 31, 2012, \$2 of unrealized gain and \$8 of unrealized loss related to these agreements is included as a component of investments-trading and securities sold, not yet purchased respectively. For the year ended December 31, 2012, \$(241) is included as a component of net trading revenue related to TBA contracts during the year.

JVB Financial Group, LLC
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(Dollars in thousands)

8. OTHER ASSETS

Other assets include:

Other Assets (Dollars in Thousands)	
Furniture and equipment	23
Prepaid expenses	417
Security Deposits	100
	<u>540</u>

9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consist of accounts payable, accrued expense, and other liabilities incurred that are of a routine and short term nature.

10. ACCRUED COMPENSATION

Accrued compensation consists of salary and bonus expense incurred by the Company for services provided by the Company's employees.

11. RETIREMENT PLAN

The Operating LLC maintains a 401(k) savings plan covering substantially all of its employees, including those working on the operations of the Company. Under the plan, the Operating LLC matches 50% of employee contributions for all participants not to exceed 3% of their salary. Contributions made to the plan on behalf of the Company were \$211 for the year ended December 31, 2012.

12. INCOME TAXES

The Company is treated as a pass-through entity for federal and state tax purposes and incurs no entity level taxes.

13. NET CAPITAL REQUIREMENT

The Company is subject to the net capital provision of Rule 15c3-1 under the Securities and Exchange Act of 1934, which requires the maintenance of minimum net capital, as defined. As applied to the Company, the rule

JVB Financial Group, LLC
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(Dollars in thousands)

requires net capital of \$144 as of December 31, 2012. As of December 31, 2012, the Company's adjusted net capital was \$10,833 which exceeds the minimum requirements by \$10,689.

14. RESERVE REQUIREMENTS

As of December 31, 2012, the Company was not subject to the reserve requirements under Rule 15c3-3 of the Securities and Exchange Act of 1934 because it qualifies for an exemption under Rule 15c3-3(k)(2)(ii) as all customer transactions are cleared through Pershing on a fully disclosed basis. The Company does not carry securities accounts for its customers or perform custodial functions relating to customer securities and therefore has not included the schedules entitled "Computation for Determination of Reserve Requirements Under Rule 15c3-3" and "Information for Possession or Control Requirements Under Rule 15c3-3" in the supplementary information of this report.

15. COMMITMENTS AND CONTINGENCIES

The Company has an agreement with Pershing, LLC whereby Pershing, LLC acts as the clearing broker for the Company. Under this agreement, the Company is required to maintain a minimum \$100 deposit throughout the life of the contract.

Indemnifications

The Company with its clearing agent Pershing, LLC has a reciprocal indemnification agreement which holds the Company harmless against any losses, claims, liabilities or expenses including without limitation those asserted by its customers if any employee or agent of Pershing, LLC has acted improperly.

Contingencies

From time to time, the Company may be named as a defendant in various legal actions, arbitration claims, and other litigation arising in connection with the conduct of its business activities.

In accordance with FASB ASC 450-20 (Loss Contingencies), the Company will accrue a liability when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In many lawsuits and arbitrations, it is not possible to determine whether a liability has been incurred or to estimate the ultimate or minimum amount of that liability until the case is close to resolution, in which case no accrual is made until that time. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, the Company cannot predict what the eventual loss or range of loss related to such matters will be. Subject to the foregoing, the Company continues to assess these cases and believes, based on information available to it, that the resolution of any open matters as of the date of this report will not have a material adverse effect on the financial condition of the Company.

16. RELATED PARTY TRANSACTIONS

The Company has identified the following related party transactions for the year ended December 31, 2012. The transactions are listed by related party.

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A. *JVB Holdings, the parent company*

During the year, the Company made distributions to JVB Holdings of \$689.

B. *The Operating LLC*

The Operating LLC and IFMI issued share based compensation to certain employees of the Company. The Company incurred \$1,303 of expense related to this arrangement and reimbursed the Operating LLC. See note 10. Also, the operating LLC will advance funds to the Company for the settlement of routine payables. These amounts are short term in nature. As of December 31, 2012, the Operating LLC had advanced the Company \$103 under this arrangement. This is included as due to related party in the statement of financial condition.

17. CONCENTRATION OF CREDIT RISK

As of December 31, 2012, the Company held all of its cash and cash equivalents with Wells Fargo bank. From time to time, the balances may exceed federally insured limits. If this institution failed under their obligation as custodian of these funds, the Company could lose all or a portion of its unrestricted cash balances.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty. With respect to the Company's investments in securities, until these securities are sold or mature, the Company is exposed to credit risk relating to whether the issuer will meet its obligations when they come due.

Any default, bankruptcy, or reorganization of the Company's clearing broker (see note 3-C) could have a substantial negative impact on the Company as the Company clears all trades through these entities. These entities hold the Company's securities account as well as accounts on behalf of all the Company's customers.

SUPPLEMENTARY INFORMATION

JVB Financial Group, LLC
(a wholly owned subsidiary of JVB Financial Holdings, LLC)
SUPPLEMENTARY INFORMATION
December 31, 2012
(Dollars in thousands)

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

Schedule 1

Net Capital Calculation		
Net Capital		
Member's Capital	\$	14,836
Deductions		
Non allowable assets		(539)
Tentative net capital		<u>14,297</u>
Haircuts on investments		(3,092)
Undue concentration		(372)
Total Deductions		<u>(3,464)</u>
Net Capital		10,833
Total liabilities per balance sheet	\$	48,403
Less: payables to brokers, dealers, and clearing agencies		(39,907)
Less: securities sold, not yet purchased		<u>(6,336)</u>
Aggregate indebtedness	\$	2,160
Net capital ratio		<u>6.67%</u>
Minimum net capital required		144
Excess net capital	\$	<u>10,689</u>
Ratio of aggregate indebtedness to net capital		<u>20%</u>
Statement pursuant to paragraph (d)(4) of Rule 17a-5:		
There are no material differences between the above computation of Net Capital under Rule 15c3-1 and the computation included in the unaudited FOCUS Report Part II filed by the Company on January 25, 2013.		



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON
INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1)**

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Board of Managers
JVB Financial Group, LLC

In planning and performing our audit of the financial statements of JVB Financial Group, LLC (the "Company") as of and for the year ended December 31, 2012, in accordance with the standards of the Public Company Accounting Oversight Board (United States), we considered the Company's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an 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 U.S. 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 compliance with 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 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.

Management of the Company is responsible for establishing and maintaining effective internal control and for the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those

practices and procedures can be expected to achieve the SEC's above-mentioned 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 accounting principles generally accepted in the United States of America. 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 misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and was not designed to identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in the Company's 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, 2012, to meet the SEC's objectives.



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

Grant Thornton LLP

Philadelphia, Pennsylvania

February 27, 2013



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Management of JVB Financial Group, LLC

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 SIPG-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by JVB Financial Group, LLC (the “Company”) and the U.S. Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company’s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPG-7). The Company’s management is responsible for the Company’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 SIPG-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, 2012, as applicable, with the amounts reported in Form SIPG-7 for the year ended December 31, 2012, noting no differences.
3. Compared any adjustments reported in Form SIPG-7 with supporting schedules and working papers noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPG-7 and in the related schedules and working paper supporting the adjustments, noting no differences.

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.

Grant Thornton LLP

Philadelphia, Pennsylvania

February 27, 2013

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 12/31/2012

(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:

052877 FINRA DEC
JVB FINANCIAL GROUP LLC 1515
2700 N MILITARY TRL STE 200
BOCA RATON FL 33431-8394

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.

Katherine Vacca 561-939-1211

- 2. A. General Assessment (item 2e from page 2) \$ 53,199
- B. Less payment made with SIPC-6 filed (exclude interest) (28,941)
7/31/12
Date Paid
- C. Less prior overpayment applied (0)
- D. Assessment balance due or (overpayment) 24,258
- E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum 0
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 24,258
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 24,258
- 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.

JVB Financial Group LLC
(Name of Corporation, Partnership or other organization)

Katherine Vacca
(Authorized Signature)

CCO
(Title)

Dated the 7th day of February, 2013

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 1/1/2012
and ending 12/31/2012

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>24,013,063</u>
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	_____
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>2370</u>
(2) Revenues from commodity transactions.	_____
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	_____ <u>602,939</u>
(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.	_____ <u>1,185,367</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).	_____
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	_____
(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>942,684</u>
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ _____
Enter the greater of line (i) or (ii)	_____ <u>942,684</u>
Total deductions	_____ <u>2,733,360</u>
2d. SIPC Net Operating Revenues	\$ <u>21,279,703</u>
2e. General Assessment @ 0025	\$ <u>53,199</u>

(to page 1, line 2 A.)