



OATH OR AFFIRMATION

We Hans-Peter Gruenig and Bjoern Kirchner, swear (or affirm) that, to the best of our knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MainFirst Securities US, Inc. , as of December 31, 2012, are true and correct. We 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:

No exception

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**BARRY LEONARD HOLLANDER**

NOTARY PUBLIC, STATE OF NEW YORK  
NO. 31-02HO4795545  
QUALIFIED IN NEW YORK COUNTY  
COMMISSION EXPIRES MAY 15, 2014

Notary Public  
**BARRY LEONARD HOLLANDER**

NOTARY PUBLIC, STATE OF NEW YORK  
NO. 31-02HO4795545  
QUALIFIED IN NEW YORK COUNTY  
COMMISSION EXPIRES MAY 15, 2014

Notary Public

Signature

Title

Signature

Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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.
- (o) Independent Auditors' Report on Internal Accounting Control.

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

**Urkundenrolle Nummer 19 für das Jahr 2013**

I hereby certify that

**Mr. Björn Kirchner, born on 05.04.1966,**  
identified by passport,  
with address 61273 Wehrheim -Oberhain, Zur Bendermühle 16,

hereinafter not acting in his own name but on behalf of  
MainFirst Bank Aktiengesellschaft, Frankfurt am Main,

signed the attached document today in my presence.

The representative of the Notary asked with respect to a prior occupation in the sense of Art. 3. Para. 1 no. 7 Notarization Act. which was denied by the Participant.

Frankfurt /Main, 17 January 2013

**Kostenberechnung gem. §§ 32, 141, 154 KostO**

Geschäftswert: € 5.000,00

2,5/10 Gebühr gem. § 45 KostO

19 % Mehrwertsteuer

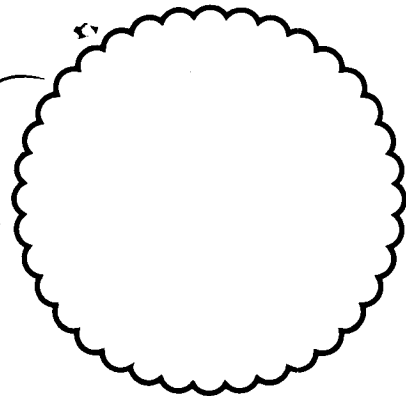
10,50 €

2,00 €

12,50 €



Anne Niethammer  
lawyer officially appointed  
as representative of the notary  
Rainer Jacob



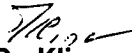
## APOSTILLE

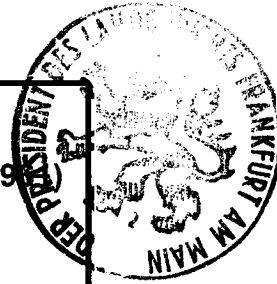
(Convention de la Haye du 5 octobre 1961)

1. Land: Bundesrepublik Deutschland  
Diese öffentliche Urkunde
2. ist unterschrieben von Anne Niethammer
3. in ihrer Eigenschaft als amtl. best. Notarvertreterin
4. sie ist versehen mit dem Siegel/Stempel des(der)  
Notars Rainer Jacob

### Bestätigt

5. in Frankfurt/Main
6. am 18.01.13
7. durch den Herrn Präsidenten des Landgerichts
8. unter Nr. 91 Ea A 654
9. Siegel/Stempel
10. Unterschrift

  
i.A. Dr. Klinger



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The Company's Statement of Financial Condition as of December 31, 2012 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

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### **Independent Auditors' Report**

To the Member  
MainFirst Securities US Inc.

We have audited the accompanying statement of financial condition of MainFirst Securities US Inc. (a wholly-owned Subsidiary of MainFirst Holding AG) (the "Company") as of December 31, 2012, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

#### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting

MainFirst Securities US Inc.

policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of MainFirst Securities US Inc. (a wholly-owned subsidiary of MainFirst Holding AG), as of December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Wessley Magas" followed by a stylized flourish or initials.

February 25, 2013  
New York, NY

**MainFirst Securities US Inc.**  
**(A Wholly-Owned Subsidiary of MainFirst Holding AG)**  
**Statement of Financial Condition**  
**December 31, 2012**

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<b>Assets</b>	
Cash and cash equivalents	\$ 2.341.549
Furniture, equipment and leasehold improvements (net of accumulated depreciation and amortization of \$ 66,119)	92.633
Restricted cash	37.290
Other assets	<u>34.784</u>
<b>Total assets</b>	<b><u>\$ 2.506.256</u></b>
 <b>Liabilities and Stockholder's Equity</b>	
<b>Liabilities</b>	
Accrued expenses and other liabilities	\$ 193.329
Accrued discretionary bonuses	<u>260.000</u>
<b>Total liabilities</b>	<b><u>453.329</u></b>
 <b>Stockholder's equity</b>	
Common stock, no par value; 200 shares issued and outstanding	-
Additional paid-in capital	2.200.000
Accumulated deficit	<u>(147.073)</u>
<b>Total stockholder's equity</b>	<b><u>2.052.927</u></b>
<b>Total liabilities and stockholder's equity</b>	<b><u>\$ 2.506.256</u></b>

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



**MainFirst Securities US Inc.**  
**(A Wholly-Owned Subsidiary of MainFirst Holding AG)**  
**Notes to Financial Statement**  
**Year ended December 31, 2012**

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**1. Organization and Nature of Business**

MainFirst Securities US Inc. (“the Company”) is a foreign broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). The company is organized under the laws of the State of New York. MainFirst Securities US Inc. is a wholly-owned subsidiary of MainFirst Holding AG, Zurich. MainFirst Holding AG is wholly-owned by its partners and employees.

The Company generates commission by acting as a broker-dealer effecting equity sales of foreign securities and providing related brokerage services to institutional clients in the United States. Such equity sales and related services will be initiated as a result of the distribution of research reports on European equity securities by a foreign affiliate MainFirst Bank AG, Frankfurt am Main. The Company does not act as a market maker, nor does it engage in proprietary trading.

All foreign equity trades will be cleared and settled on a delivery versus payment (“DVP”) basis. Accordingly, neither the Company nor its execution partner, MainFirst Bank AG, carry customer accounts or receive, deliver, or hold cash or securities in connection with such transactions. MainFirst Bank AG acts as counterparty on all client trades and enters into offsetting trades with market counterparties (on European markets, central counterparties or other brokers).

The Company has Offices of Supervisory Jurisdiction (OSJ’s) in Frankfurt and New York with regulatory branch offices in London and Zurich.

**2. Summary of Significant Accounting Policies**

**Revenue**

Commissions and related expenses are recorded on a trade date basis as securities transactions occur. Revenue from research services is recognized when realizable and services have been performed.

**Cash and Cash Equivalents**

The Company considers such investments with original maturities of three months or less, when acquired, to be cash equivalents.

An amount of \$37,290 is subject to a withdrawal restriction.

**Furniture, Equipment and Leasehold Improvements**

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three years for computer and telecommunication equipment, and eight years for furniture and fixtures. Leasehold improvements are amortized over the shorter of asset life or lease term.

**MainFirst Securities US Inc.**  
**(A Wholly-Owned Subsidiary of MainFirst Holding AG)**  
**Notes to Financial Statement**  
**Year ended December 31, 2012**

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**Income Taxes**

The Company utilizes the asset and liability method to calculate deferred tax assets and liabilities. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing tax laws and rates expected to be in effect at the time of reversal. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. Valuation allowances are recognized if, based on the weight of available evidence, it is more likely than not that some portion of the deferred tax assets will not be realized.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

**3. Furniture, Equipment and Leasehold Improvements**

Furniture, equipment and leasehold improvements consist of the following at December 31, 2012:

Furniture	\$	51,634
Computer and telephone equipment		98,445
Leasehold improvements		8,673
Total		<u>158,752</u>
Less Accumulated depreciation		66,119
Total	\$	<u>92,633</u>

**4. Income Tax**

The major sources of temporary differences and their deferred income tax effects as of December 31, 2012 are as follows:

	2012
Deferred Tax Assets/(liabilities)	
Furniture and equipment	\$ (30,000)
Net operating losses	27,000
Amortization	32,000
Others	19,000
	<u>48,000</u>
Less Valuation allowance	(48,000)
Net deferred tax asset	<u>\$ -</u>

**MainFirst Securities US Inc.**  
**(A Wholly-Owned Subsidiary of MainFirst Holding AG)**  
**Notes to Financial Statement**  
**Year ended December 31, 2012**

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As of December 31, 2012 the Company has available approximately \$59,000 of unused operating loss carry-forwards expiring through 2031 that may be applied against future taxable income.

At December 31, 2012, management of the Company believes that it is more likely than not that the Company will not generate a sufficient level of taxable income within the foreseeable future to utilize the deferred tax assets. Accordingly, a full valuation allowance has been recorded. The valuation allowance has decreased from 2011 by \$143,934.

**5. Retirement Plan**

The Company has a 401 (k) profit sharing plan that covers all full-time employees who have attained the age of 21 and who have completed 30 days of service as defined in the plan. Contributions to the plan are determined annually by the Board of Directors. Eligible employees are immediately vested. For the year ended December 31, 2012, the amount of the Company's contribution was \$34,301.

**6. Commitments and Contingencies**

The Company leases office space under a lease expiring on July 31, 2014. In connection with the lease agreement, the Company is required to maintain a \$33,900 letter of credit in the event of default. There are no amounts outstanding under the letter of credit.

The future minimum lease payments until expiration of the lease on July 31, 2014 are \$127,418 in 2013 and \$75,484 in 2014.

**7. Concentrations**

**Credit Risk**

All foreign equity trades will be cleared and settled on a delivery versus payment ("DVP") basis. Accordingly, neither the Company nor its Execution and Clearing partner, MainFirst Bank AG, carry customer accounts or receive, deliver, or hold cash or securities in connection with such transactions. MainFirst Bank AG acts as counterparty on all client trades and enters into offsetting trades with market counterparties (on European markets, usually central counterparties). In the event that customers of the Company fail to perform their obligations with respect to the trade, such obligations under the SEC financial responsibility rules are the responsibility of the Company.

**Client Concentration**

Six clients in the aggregate accounted for 64.3% of the commission income earned for the year ended December 31, 2012.

**MainFirst Securities US Inc.**  
**(A Wholly-Owned Subsidiary of MainFirst Holding AG)**  
**Notes to Financial Statement**  
**Year ended December 31, 2012**

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**8. Related Party Transactions**

Under the Service Level Agreement and the Expense Sharing Agreement with MainFirst Bank AG, the Company receives a commission allocation from MainFirst Bank AG consisting of introducing brokerage fees and other income and is allocated expenses for research, sales, execution and administrative services.

For the year December 31, 2012, the total amount of the Company's allocated portion of these revenues was \$4,192,512 and the allocated portion of expenses was \$1,475,748, which are included in commissions and expenses in the statement of operations, respectively.

Under the Service Level Agreement with MainFirst Schweiz AG, the Company receives a number of support and operational services and is allocated expenses for these functions. For the year December 31, 2012, the total amount of the Company's allocated portion of expenses was \$888,663.

As of December 31, 2012, commission income due from MainFirst Bank AG of \$5,221 is included in other assets. Accrued liabilities from allocated expenses due to MainFirst Bank AG and MainFirst Schweiz AG amount to \$67,130 and \$39,194 respectively and are included in accrued expenses and other liabilities in the statement of financial condition.

The Company does not grant loans to any officer or employee of the Company. Therefore at December 31, 2012, there were no receivables due from employees.

**9. Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), as amended, which requires a broker-dealer to have, at all times, sufficient liquid assets to cover current indebtedness. For purposes of the Net Capital Rules, the Company is regarded as the clearing firm as MainFirst Bank AG is not a US registered firm. Accordingly, the Company has a minimum net capital requirement under SEC Rule 15c3-1 of the greater of \$250,000 or 6.67% of aggregate indebtedness (equals 15 to 1 aggregate indebtedness to net capital).

At December 31, 2012, the Company had net capital as defined, of \$2,148,220 which was \$1,898,220 in excess of its required net capital of \$250,000. At December 31, 2012, the Company had aggregate indebtedness of \$193,329. The ratio of aggregate indebtedness to net capital was 0.09 to 1.

**10. Fair Value of Financial Instruments**

Accounting principles generally accepted in the United States of America require disclosure of fair value information about financial instruments, for which it is practicable to estimate the value, whether or not recognized on the statement of financial condition. As a registered broker-dealer, securities owned, if any, are already recorded at market value.

**MainFirst Securities US Inc.**  
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**Notes to Financial Statement**  
**Year ended December 31, 2012**

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The recorded value of all other financial assets and liabilities is considered to approximate fair value, due to the short-term nature of the financial instruments and revaluation policies followed by the Company.

**11. Subsequent Events**

The Company has evaluated events occurring between the year ended December 31, 2012 and February 25, 2013 the date the financial statements were available to be issued. Management has determined that there are no material events that would require adjustments to or disclosure in the Company's financial statements.