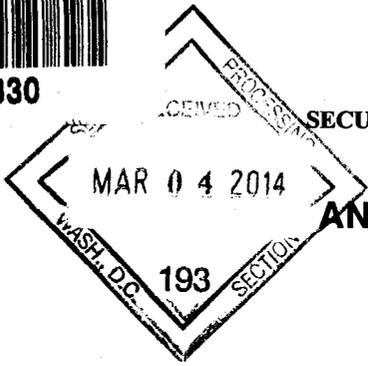




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UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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

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FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/13 AND ENDING 12/31/13 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GSN North America, Inc ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 520 Madison Avenue, 37th Floor

OFFICIAL USE ONLY FIRM I.D. NO.

New York New York 10022 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Alex J. Englese (212) 659-6292 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

EisnerAmper LLP

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

750 Third Avenue New York NY 10017 (Address) (City) (State) (Zip Code)

CHECK ONE:

- [X] 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)

Handwritten initials: MM

OATH OR AFFIRMATION

I, Alex J. Englese, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GSN North America, Inc, as of December 31, 2013, 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:

Alex Englese
Signature

Chief Executive Officer

Title

Mary B. Ginnane-Singer
Notary Public

MARY B. GINNANE-SINGER
Notary Public, State of New York
No. 01GI6058784
Qualified in Queens County
Commission Expires May 14, 2015

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).



**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2013

**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders of  
GSN North America, Inc. (formerly ESN North America, Inc.)

### **Report on the Financial Statements**

We have audited the accompanying statement of financial condition of GSN North America, Inc. (formerly ESN North America, Inc.) as of December 31, 2013, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition.

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

Management is responsible for the preparation and fair presentation of the statement of financial condition 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***

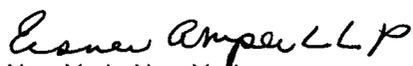
Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of GSN North America, Inc. (formerly ESN North America, Inc.) as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

  
New York, New York  
February 28, 2014

**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

**Statement of Financial Condition**  
**December 31, 2013**

**ASSETS**

Cash and cash equivalents	\$ 1,435,694
Due from clearing broker	314,050
Advisory fees receivable	194,330
Intangible asset, net	92,717
Property and equipment (net of accumulated depreciation of \$59,723)	589
Prepaid and other assets	<u>48,983</u>
	<u>\$ 2,086,363</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts payable and accrued expenses	\$ 246,213
Due to affiliate	<u>326,344</u>
Total liabilities	<u>572,557</u>
Stockholders' equity:	
Common stock: \$.01 par value; authorized 934 shares; 934 shares issued and outstanding	9
Additional paid-in capital	12,130,928
Accumulated deficit	<u>(10,617,131)</u>
Total stockholders' equity	<u>1,513,806</u>
	<u>\$ 2,086,363</u>

**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

**Notes to Statement of Financial Condition**  
**December 31, 2013**

**NOTE A - ORGANIZATION**

GSN North America, Inc. (formerly ESN North America, Inc.) (the "Company"), incorporated in Delaware, is a majority owned subsidiary of CM-CIC Securities (the "Parent"), a French company. The Parent is, in turn, a wholly owned subsidiary of Crédit Industriel et Commercial ("CIC"), a French company.

The Company is a registered broker and dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company is engaged as an agent in the purchase and sale of equity securities of domestic and foreign corporate issuers including equity products (e.g., listed options on stocks, listed equity options on indexes, basket indexes and convertible securities).

The Company earns advisory fees for investment and research related services.

The Company changed its name to GSN North America, Inc. effective December 3, 2012.

In December 2013, the Company, the Parent, Banca Akros S.p.A. ("Banca Akros") and Caja Madrid Bolsa, S.V., S.A. ("Caja Madrid") entered into an amendment to the Stockholders' Agreement for the authorization, issue and sale of five hundred eighty five shares of common stock to the Parent. At December 31, 2013, the Company's stockholders were the Parent (85.12%), Banca Akros (11.88%), and Bankia Solsa, S.V. (3%).

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**[1] Use of estimates:**

The Company's statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of this financial statement in conformity with GAAP 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 statement. Actual results could differ from those estimates.

**[2] Commissions:**

Commissions on customers' securities transactions are recorded on a trade-date basis. Clearing costs, commissions to foreign brokers, and securities taxes charged for certain transactions are recorded on a trade-date basis.

**[3] Advisory fees:**

Advisory fees on investment and research services are recognized as earned. Advisory fees are primarily fixed fees and are included in stockholders' equity ratably over the term of the contract.

**[4] Translation of foreign currencies:**

Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange.

**[5] Income taxes:**

The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statement, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statement for the changes in deferred tax liabilities or assets between years.

**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

**Notes to Statement of Financial Condition**  
**December 31, 2013**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[5] Income taxes: (continued)**

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, "Income Taxes". Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period.

Net deferred tax assets, whose realization is dependent on taxable earnings of future years, are recognized when a greater than 50% probability exists that the tax benefits will actually be realized sometime in the future.

**[6] Depreciation:**

All property and equipment is being depreciated on a straight-line basis over their estimated useful lives, generally three years.

**[7] Cash and cash equivalents:**

Cash and cash equivalents consist of cash and a money market mutual fund. The Company considers all highly-liquid instruments with original maturities of three months or less at the date of purchase and money market mutual funds to be cash equivalents. The Company at times maintains cash in deposit accounts in excess of Federal Deposit Insurance Corporation ("FDIC") limits. The Company has not experienced any losses on such accounts.

**[8] Due from clearing broker:**

Due from clearing broker includes a \$100,000 required deposit.

**[9] Intangible assets:**

The Company applies the provisions of FASB ASC 350, "Intangibles - Goodwill and Other," which requires that intangible assets with a definite life be amortized over their useful lives.

**NOTE C - TRANSACTIONS WITH AFFILIATES**

The Parent has guaranteed to fund the ongoing operations of the Company through February 20, 2015.

The Company derives a portion of its revenue from acting as an agent for its stockholders in the purchase and sale of equity securities of domestic and foreign corporate issuers and related product sales.

The Company is a party to an administrative services agreement with an affiliate. The affiliate provides the Company with certain services and allocates the expenses in the area of benefits administration; leasehold space, furniture and equipment; operational services; computers and related systems support; data and communication lines and equipment. These amounts are included in Due to affiliate on the statement of financial condition at December 31, 2013.

**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

**Notes to Statement of Financial Condition**  
**December 31, 2013**

**NOTE D - INCOME TAXES**

The Company is subject to federal, state and local taxes. The Company complies with the provisions of ASC 740. ASC 740 requires the liability method of accounting for income taxes.

At December 31, 2013, the Company did not recognize a deferred tax asset from net operating loss of \$8,900,000. The Company is not certain it will be able to utilize these losses before they expire.

As of December 31, 2013, the Company has net operating loss carryforwards for federal income tax purposes of \$8,934,573. The net operating loss carryforwards will expire through 2033.

These net operating losses are limited by the IRC Section 382 loss limitation incurred as a result of an ownership change that took place during 2006 and 2007. Annual losses are limited to approximately \$141,000 annually through 2033.

There are no income tax returns under audit. The Company is no longer subject to federal, state or local income taxes examinations for the years before December 31, 2010.

**NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES**

The Company clears all of its securities transactions through a U.S. clearing broker on a fully disclosed basis and, the Company does not carry securities accounts for its customers or perform custodial functions relating to the securities.

Pursuant to the terms of the agreement between the Company and the clearing broker, the clearing broker has the right to charge the Company for losses that result from a counterparty's failure to fulfill its contractual obligations. As the right to charge the Company has no maximum amount and applies to all trades executed through the clearing broker, the Company believes there is no maximum amount assignable to this right. At December 31, 2013, the Company has recorded no liability with regard to this right. The Company paid the clearing broker no amounts related to these guarantees during the year.

In addition, the Company has the right to pursue collection or performance from the counterparties who do not perform under their contractual obligations.

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred.

**NOTE F - INTANGIBLE ASSETS**

On August 31, 2007, the Company entered into a transaction to acquire 100% of the outstanding shares of Akros Securities, Inc.. Akros Securities, Inc. was a broker-dealer involved in U.S. equity sales to European clients. Akros Securities, Inc. was merged and thus completely liquidated with this transaction. With the acquisition, the Company plans on servicing the ESN Network in U.S. equities, along with cross-selling products with its existing client base.

**GSN NORTH AMERICA, INC.**  
(formerly ESN North America, Inc.)

**Notes to Statement of Financial Condition**  
**December 31, 2013**

**NOTE F - INTANGIBLE ASSETS (CONTINUED)**

The transaction was accounted for as a purchase, with purchased assets and liabilities recorded at fair value at the purchase date. Customer relationships purchased were ascribed the full purchase price of \$973,692. This intangible asset is being amortized over seven years, with amortization ending in August 2014. As of December 31, 2013, the carrying value of the intangible asset is \$92,717. The Company assesses the intangible asset annually for impairment. The remaining amount to be amortized at December 31, 2013 is \$92,717 in 2014.

**NOTE G - NET CAPITAL REQUIREMENTS**

The Company is subject to the Uniform Net Capital Rule ("Rule 15c3-1") of the Securities and Exchange Commission ("SEC") which requires the maintenance of minimum net capital, as defined, equal to the greater of \$250,000 or 6-2/3% of aggregate indebtedness, as defined. At December 31, 2013, the Company had net capital of \$1,171,570, which was \$921,570 in excess of the amount required of \$250,000.

**NOTE H - OFF-BALANCE-SHEET RISK AND CREDIT RISK**

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company executes customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

The Company is subject to credit risk should the clearing broker be unable to repay the amount due from the clearing broker on the statement of financial condition.

**NOTE I - PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS**

The Company's U.S. affiliate, CIC (New York Branch) ("CIC-NY") maintains a 401(k) profit-sharing plan (the "Plan") covering substantially all of the employees of the Company. The Company contributes to the Plan 50% of up to the first 6% of the employees' contributions. Plan expense for the year ended December 31, 2013 was \$14,385. Pursuant to the administrative services agreement with CIC-NY, \$326,344 is included in due to affiliate on the statement of financial condition.