



10030559

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00



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

SEC FILE NUMBER
8- 49020

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 04/01/2009 AND ENDING 03/31/2010  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: INTERNATIONAL FINANCIAL SOLUTIONS, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

303 PERIMETER CENTER N. SUITE 300

(No. and Street)

ATLANTA, GA 30346

(City)

(State)

(Zip Code)

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

~~WILLIAM PORTWOOD~~

Alex McKenzie

(678) 690-8523

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

Yin Shen Co., CPA

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

31-50 140th Street, Suite 6C, Flushing, New York 11354

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

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

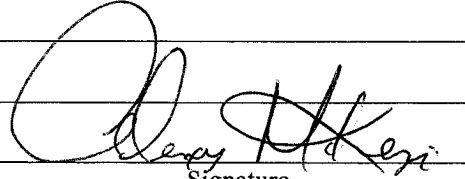
SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

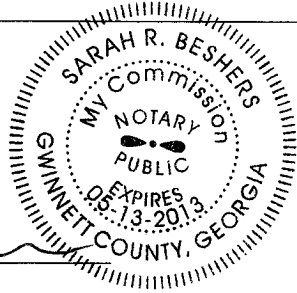
I, Alexys McKenzie, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of International Financial Solutions, Inc., as of March 31, 2010, are true and correct. I further swear (or affirm) that neither the 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:

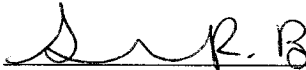
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

President

Title



  
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole 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).

# International Financial Solutions, Inc.

## CONTENTS

Facing page to Form X-17A-5	
Affirmation of President and stockholder	
Independent Auditor's Report -----	1
Statement of Financial Condition -----	2
Statement of Income -----	3
Statement of Changes in Stockholders' Equity -----	4
Statement of Cash flows -----	5
Notes to Financial Statements -----	6~8
Supplement Information -----	9
Schedule I- Computation of Net Capital -----	10,11
Internal Control Report -----	12~13
SIPC Supplemental Report -----	1~3

*Yin Shen Co. CPA*  
3150 140<sup>th</sup> Street, Room 6c  
New York, New York 11354  
Tel: 718-358-7956, Fax: 718-358-1281

**Independent Auditor's Report**

Board of Directors  
International Financial Solutions, Inc

We have audited the accompanying statement of financial condition of International Financial Solutions Inc. (the Company) as of March 31, 2010, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 the opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Financial Solutions, Inc. at March 31, 2010, 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 Schedules I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities and Exchange Act of 1934. Such 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.

Yin Shen  
Yin Shen Co. CPA  
New York, New York  
May 26, 2010



International Financial Solutions, Inc.

Statement of Financial Condition

March 31, 2010

ASSETS

Cash	\$	22,530
Deposit with clearing organizations		15,000
Commission Receivable		40,814
Securities owned, at fair value		118,280
Furniture and equipment at cost, less accumulated depreciation \$266		<u>2,406</u>
Total assets	\$	<u><u>199,030</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Accrued expense	\$	<u>7,500</u>
Total liabilities		7,500

Stockholders' Equity

Common stock - non par value, 1,000,000 shares issued and outstanding		25,000
Additional paid-in capital		231,526
Retained earnings		<u>(64,996)</u>
Total stockholders' equity	\$	<u><u>191,530</u></u>
Total liabilities and stockholders' equity	\$	<u><u>199,030</u></u>

The accompanying notes are an integral part of these financial statements

International Financial Solutions, Inc.

Statement of Income  
for the Year Ended March 31, 2010

REVENUES:

Fee and commissions income	\$ 736,319
Principal transactions	17,937
Interest and dividends	5,175
Other income	49,700
	<hr/>
	809,131

EXPENSES:

Commission expenses	126,314
Officers compensation	17,250
Clearing and executions	29,310
Management fees	552,001
Occupancy	12,226
Regulatory fees	28,418
Professional fees	25,664
Other expenses	28,577
	<hr/>
Total expense	819,760
	<hr/>
INCOME BEFORE INCOME TAXES	(10,629)
PROVISION FOR INCOME TAXES	125
	<hr/>
NET INCOME (LOSS)	\$ (10,754)
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

International Financial Solutions, Inc.

Statement of Changes in Stockholders' Equity  
for the Year Ended March 31, 2010

	Capital Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance at March 31, 2009					
Net income(loss)	1,000,000	25,000	142,526	(54,242)	113,284
Changes in Capital			89,000	(10,754)	78,246
Balance at March 31, 2010	1,000,000	25,000	231,526	(64,996)	191,530

The accompanying notes are an integral part of these financial statements

# International Financial Solutions, Inc.

## Statement of Cash Flows for the Year Ended March 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income		(10,754)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	266	
Commission receivables	(26,971)	
Other receivables	5,288	
Marketable securities	(28,622)	
Accrued expense payable	(6,500)	
Total adjustments		(56,539)
Net cash used in operating activities		<u>(67,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(2,672)	(2,672)
Net cash used in investing activities		<u>(2,672)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional paid in	89,000	89,000
Net cash provided by financing activities		<u>89,000</u>
INCREASE IN CASH		<u>19,035</u>
CASH AT BEGINNING OF THE YEAR		<u>3,495</u>
CASH AT END OF THE YEAR		<u><u>22,530</u></u>

The accompanying notes are an integral part of these financial statements



International Financial Solutions, Inc.  
Notes to Financial Statements

For the Year Ended March 31, 2010

**1. Organization and nature of business**

International Financial Solutions, Inc. (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC), and a member of the Financial Industry Regulatory Authority (FINRA). The Company engaged in the business of sales of securities. The Company does not carry customer accounts and is exempt from SEC customer protecting rules under the paragraph (k)(2)(i) of SEC Rule 15c3-3. The Company is a Pennsylvania corporation formed on September 21, 1993 and is authorized doing business in the state of Georgia. The name under which it was formed was Alzaid Financial Services, Inc.

**2. Significant Accounting Policies**

**a. Income recognition:**

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

**b. Property and equipment:**

Furniture and equipment are primarily provided and managed by an affiliated company, International Financial Solutions, LLC. The Company pays the usage through a management agreement. (See note 6) The Company owned equipment consists of computers for data processing.

**c. Cash and cash equivalents:**

For purpose of statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than 90 days that are not held for sale in the ordinary course of business.

**d. Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles 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 from those estimates.

**e. Accounting method**

The Company prepares its financial statements on the accrual basis of accounting.

International Financial Solutions, Inc.

Notes to Financial Statements  
(continued)

**3. Securities Owned:**

Securities owned consist of equity securities. Equity securities are carried at market value with unrealized gains and losses reflected in the Statement of Income (Loss). As at March 31, 2010 the Company owned marketable securities at fair value of \$118,280.

**4. Depreciation**

The Company employed straight line method to depreciate its own office equipment over the estimated useful life for five years.

**5. Income taxes:**

The Company did not pay or accrued federal income taxes due to the losses in current year and losses carryover from prior years. However, the company is liable to minimum state corporate income taxes.

The Company has assessed the impact of FASB Interpretation No. 48 and has determined that no material liability is required to be recorded.

**6. Related party transactions**

Through common ownership and management, the Company is affiliated with International Financial Solutions, LLC. (the LLC) The Company has entered into a management agreement with the LLC wherein it is agreed that the LLC will provide managerial and/or consulting services. The LLC also agreed to pay on behalf of the Company the expenses such as rent, administrative and office expenses. In exchange the Company pays the management fees for these management and services. The Company paid approximately \$552,000 as management fees to the LLC for the year ended March 31, 2010.

**7. Contingencies**

The Company's predecessor clearing broker-dealer, North America Clearing, was insolvent in May 2008. The Company has the security deposit in the amount of \$10,568.21 with North America at the time of the assets seized by the bankruptcy court. The Company recovered by \$8,079.5 thereafter in 2009.

International Financial Solutions, Inc.

Notes to Financial Statements  
(continued)

**6. Financial Instruments with Off-Balance-Sheet Credit Risk:**

The Company's customers may enter into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments are used to meet the needs of customers and are, therefore, subject to varying degrees of market and credit risk. In addition, customers may sell securities they do not own and therefore will be obligated to purchase such securities at a future date. Since the Company enters into the foregoing transactions involving derivatives and other off-balance sheet financial instruments solely for the benefit of its customers, the Company does not bear any of the credit or market risk of those customers, with the exception of the risk to the Company should its customers fail to honor their obligations related to the foregoing derivatives and other off-balance sheet financial instruments.

The Company seeks to control the aforementioned risk by monitoring all transactions entered into on a daily basis and insuring that no incorrect trades are recorded.

**7. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1, and minimum dollar amount of net capital requirement is \$5,000. At March 31, 2010, the Company was in compliance with these regulations and had net capital of \$164,148, which was \$159,148 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.05 to 1.

International Financial Solutions, Inc.  
Supplement Information

Pursuant to Rule 17a-5 of the Securities Exchange Act of 1934

As of March 31, 2010

The accompanying schedules are prepared in accordance with the requirements and general format of FOCUS form X-17A-5.

SCHEDULE I

International Financial Solutions, Inc.

Computation of Net capital Under rule 15c3-1 of the  
Securities and Exchange Commission  
As of March 31, 2010

NET CAPITAL		
Total stockholders' equity	\$	191,530
Deduct stockholders' equity not allowable for net capital		-
Total stockholders' equity qualified for net capital		<u>191,530</u>
Deductions:		
Non allowable assets		
Furniture and equipment	(2,406)	(2,406)
Net capital before haircuts on securities positions		<u>189,124</u>
Haircuts on securities		
Regular haircut	(17,742)	
Undue concentration charge	(6,484)	
Clearing security deposit	(750)	(24,976)
NET CAPITAL	\$	<u><u>164,148</u></u>
AGGREGATE INDEBTEDNESS		
Accrued expense	7,500	7,500
Total aggregate indebtedness		<u><u>\$ 7,500</u></u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
Minimum net capital required:	\$	500
Minimum dollar required:	\$	<u><u>5,000</u></u>
Excess net capital	\$	<u><u>159,148</u></u>
Excess net capital at 1,000% (Net capital - 10% of AI)	\$	<u><u>163,398</u></u>
Ratio: Aggregate indebtedness to net capital		<u><u>0.05</u></u>

International Financial Solutions, Inc.

Schedule I (cont.)

RECONCILIATION WITH COMPANY'S COMPUTATION (included in  
Part II of Form X-17A-5 as of March 31, 2010)

Net capital, as reported in Company's Part II (unaudited amended)

FOCUS report		\$	153,576
Adjustments:			
Difference due to offsetting various assets accounts against related liabilities	9,652		
Other adjustments (net)	763		
Haircuts	157		<u>10,572</u>
Net capital per above		\$	<u><u>164,148</u></u>

**Independent Auditor's Report on Internal Control**  
**Required by SEC Rule 17a-5**

To the Board of Directors  
International Financial Solutions, Inc

In planning and performing our audit of the financial statements of International Financial Solutions, Inc. (the Company), as of and for the year ended March 31, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) 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 quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency 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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis. Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined 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 March 31, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, 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.

Yin Shen  
Yin Shen Co. CPA  
New York, New York  
May 26, 2010





**INTERNATIONAL FINANCIAL SOLUTIONS, INC.**

**SIPC SUPPLEMENTAL REPORT  
AND SUPPLEMENTARY SCHEDULES**

March 31, 2010

**Atlanta, Georgia**

**Independent Accountants' Report**  
on Applying Agreed-Upon Procedures  
Related to an Entity's SIPC Assessment Reconciliation

To Board of Directors  
International Financial Solutions, Inc  
303 Perimeter Center N. Suite 300  
Atlanta, GA 30346

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 to the Securities Investor Protection Corporation (SIPC) for the Year Ended March 31, 2010, which were agreed to by International Financial Solutions, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating International Financial Solutions, Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). International Financial Solutions, Inc.'s management is responsible for the International Financial Solutions, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries on the accounting book noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended March 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended March 31, 2010, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers of SIPC Supplemental Schedule noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers of SIPC Supplemental Schedule 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.

A handwritten signature in cursive script, appearing to read "Yin Shen".

Yin Shen Co. CPA  
May 26, 2010

International Financial Solutions, Inc.

SIPC Supplemental Schedule

As of March 31, 2010

Total Revenue Per Audited Form X-17A-5	\$ 809,131
Total Deduction	29,756
SIPC Net Operating Revenue	<u>\$ 779,375</u>
General Assessment @0.0025	<u>1,948</u>
Minimum Due \$150	<u>150</u>
Less previously paid	<u>1,013</u>
Assessment Balance Due with SIPC-7	<u><u>\$ 935</u></u>