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# ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

APR 24 2008

SEC FILE NUMBER
8- 53747

Washington, DC

FACING PAGE

103

## 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 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Empiric Distributors, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

6300 Bridge Point Parkway, Building 2, Suite 105

(No. and Street)

Austin

(City)

Texas

(State)

78730

(Zip Code)

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

Mark A. Coffelt

(512) 328-9321

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

Tait, Weller & Baker, LLP

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

1818 Market Street, Suite 2400

(Address)

Philadelphia

(City)

PA

(State)

19103

(Zip Code)

CHECK ONE:

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

**PROCESSED**

**MAY 29 2008**

**THOMSON REUTERS**

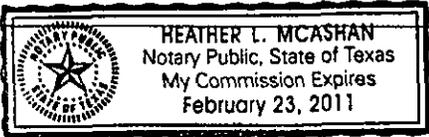
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

5/28

OATH OR AFFIRMATION

I, Mark A. Coffelt, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Empiric Distributors, Inc., as of December 31, 20 07, 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:



Mark A. Coffelt

Signature

President

Title

Heather L. McAshan  
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.
- (o) Auditors' Report on Internal Control.

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

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

Empiric Distributors, Inc.

as of 12/31/07

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |   |      |
|--|---|------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....  |   | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....   |   | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.<br>Name of clearing firm <sup>30</sup> <u>Pershing LLC (5,000)</u> <span style="float: right; border: 1px solid black; padding: 2px;">4335</span> | X | 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....   |   | 4580 |

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<sup>31</sup> 4600	4601	4602	4603	4604	4605
<sup>32</sup> 4610	4611	4612	4613	4614	4615
<sup>33</sup> 4620	4621	4622	4623	4624	4625
<sup>34</sup> 4630	4631	4632	4633	4634	4635
<sup>35</sup> 4640	4641	4642	4643	4644	4645
			<b>Total \$<sup>36</sup></b>		<b>4699</b>

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTIONS</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

See notes to financial statements.

# EMPIRIC DISTRIBUTORS, INC.

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2007

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### (1) BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *NATURE OF ORGANIZATION*

Empiric Distributors, Inc. (the "*Company*"), a fully disclosed introducing broker-dealer located in Austin, Texas, is registered with the Securities and Exchange Commission ("*SEC*"), the State Securities Commissions of Texas and the Financial Industry Regulatory Authority ("*FINRA*"). The Company is engaged primarily in institutional and retail securities brokerage services. The Company began operations August 30, 2002. The Company, formerly Texas Capital, Inc., doing business as First Austin Investments, changed its name in January 2007.

#### *REVENUE RECOGNITION*

Securities transactions and related revenues and expenses are recorded on a settlement date basis.

#### *INCOME TAXES*

The Company files its taxes with its parent company, Empiric Advisors, Inc. (formerly known as First Austin Capital Management).

#### *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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### (2) REGULATORY REQUIREMENT

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 (reserve requirement for brokers and dealers) as covered in Rule 15c3-3(k)(2)(ii) in that it does not hold funds or securities for customers and it promptly transmits all funds and delivers all securities in connection with its activities as a broker or dealer.

The Company, as a registered broker-dealer, is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (SEC Rule 15c3-1). This rule requires that the Company maintain minimum net capital, as defined, of at least the greater of \$5,000 or 6-2/3% of aggregate indebtedness, as defined. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2007, the Company had net capital of \$111,376 which exceeded its net capital requirement of \$5,000 by \$106,376. The Company's ratio was .21 to 1 of aggregate indebtedness to net capital.



**Sent Via First Class U.S. Mail & Certified Mail #7006 2760 0001 9684 9621  
Return Receipt Requested**

April 9, 2008

Empiric Distributors, Inc.  
6300 Bridgepoint Parkway  
Building II, Suite 105  
Austin, TX 78730  
Attn.: Heather McAshan, Administrator

Ladies and Gentlemen:

This acknowledges receipt of your December 31, 2007 annual filing of audited financial statements made pursuant to U.S. Securities and Exchange Commission (SEC) Rule 17a-5(d) (the Rule). The report as submitted appears deficient in that it did not contain the following:

Incorrect exemption claimed from SEC Rule 15c3-3. Please provide updated pages 7 and 9 that correctly reflects (k)(2)(ii).

Based on the above, your filing does not comply with the requirements of the Rule which is reproduced in the FINRA manual under the section titled SEC Rules & Regulation T. We urge you to review the rule with your independent accountant.

Pursuant to the provisions of NASD Rule 8210, we request that you send one copy of each item listed above to this office and to appropriate SEC Regional or District Office, and two copies to the SEC Washington D.C. Office. Your submissions must include a new completed Form X-17A-5 Part III Facing Page, a copy of which is enclosed for your convenience.

Please respond to this matter by **April 23, 2008**. Questions may be addressed to Sarah Putt, at 972-701-8554.

Sincerely,

A handwritten signature in black ink that reads "Scott H. Maestri". The signature is written in a cursive style.

Scott H. Maestri  
Examination Manager

/ct

Enclosures: Form X-17A-5 Part III Facing Page

cc: U.S. Securities and Exchange Commission  
Attn.: Ms. Julie Preuitt, Assistant District Administrator  
801 Cherry Street, Unit 18

Empiric Distributors, Inc.  
Attn.: Heather Mcashan, Administrator  
April 9, 2008  
Page 2

Tait, Weller & Baker, LLP  
1818 Market Street, Suite 2400  
Philadelphia, PA 19103

**END**