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SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

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

**SEC FILE NUMBER  
8 - 29671**

**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 JANUARY 1, 2008 AND ENDING DECEMBER 31, 2008

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**OFFICIAL USE ONLY**

**MONEY CONCEPTS CAPITAL CORP.**

**FIRM ID. NO.**

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

**11440 NORTH JOG ROAD**

**PALM BEACH GARDENS,**

**FLORIDA**

**33418**

(City)

(State)

(Zip Code)

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

**BARRY RITTMAN**

**(561) 472 - 2048**

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

**LERNER & SIPKIN, CPAs, LLP**

**132 Nassau Street, Suite 1023**

**New York**

**NY**

**10038**

**X Certified Public Accountant**

**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).

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, DENIS WALSH, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of MONEY CONCEPTS CAPITAL CORP., as of DECEMBER 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, member, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

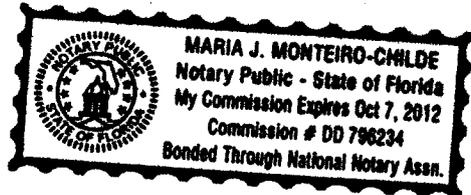
NONE

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

X [Signature]
Signature

[Signature]
Title

X [Signature]
Notary Public



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

- (x) (a) Facing page.
(x) (b) Statement of Financial Condition.
(x) (c) Statement of Operations.
(x) (d) Statement of Cash Flows.
(x) (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
(x) (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(x) (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.
(x) (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.
(x) (o) Independent Auditors' Report on Internal Accounting Control

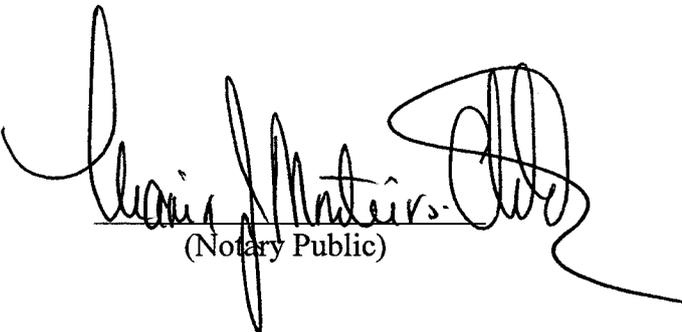
\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a5(e)(3).

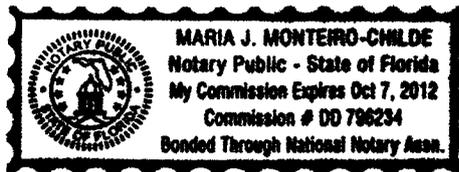
I, **DENIS WALSH**, swear that to the best of my knowledge and belief, the accompanying financial statements and supporting schedule(s) pertaining to the Firm of **MONEY CONCEPTS CAPITAL CORP.**, as of **DECEMBER 31, 2008**, are true and correct. I further swear that neither the Company nor any partner, proprietor, principal officer, director or member has any proprietary interest in any account classified solely as that of customer, except as follows:

No Exceptions  
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\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Notary Public)



**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
**STATEMENTS OF FINANCIAL CONDITION**

**ASSETS**

	December 31,	
	2008	2007
Cash and cash equivalents	\$ 754,688	\$ 1,413,244
Commissions receivable	1,612,253	1,754,952
Note receivable	302,497	201,665
Deposit with clearing broker/dealer	25,000	25,000
Prepaid expenses	25,454	32,068
Income tax receivable	123,438	-
Deferred tax asset, net	237,733	269,456
Total assets	<u>\$ 3,081,063</u>	<u>\$ 3,696,385</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Liabilities**

Commissions payable	\$ 1,006,000	\$ 1,177,860
Accounts payable and accrued expenses	609,441	578,817
Deferred lease incentive	80,324	176,720
Income tax payable to the Parent	-	225,676
Total liabilities	<u>1,695,765</u>	<u>2,159,073</u>

**Commitments and contingencies (Notes 6 and 7)**

**Stockholder's Equity (Note 8)**

Common stock, no par value, stated value of \$100 per share;

100 shares authorized, issued and outstanding	10,000	10,000
Additional paid-in capital	40,000	40,000
Retained earnings	1,335,298	1,487,312
Total stockholder's equity	<u>1,385,298</u>	<u>1,537,312</u>
Total liabilities and stockholder's equity	<u>\$ 3,081,063</u>	<u>\$ 3,696,385</u>

*The accompanying notes are an integral part of this statement.*

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

**Note 1- Nature of Business**

Money Concepts Capital Corp. (The "Company") is a registered broker/dealer and investment advisor and a member firm of the Financial Industry Regulatory Authority (FINRA).

The Company operates under the provisions of Paragraph (k) (2) (ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k) (2) (ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmits all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

**Note 2- Summary of Significant Accounting Policies**

**a) Revenue and Expense Recognition**

Commission income and expense from customer transactions are recorded on a trade-date basis. Fee income from investment advisory services is recorded as earned.

**b) Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Company considers money market funds maintained with banks and brokers to be cash and cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**c) Income Taxes**

The Company files consolidated federal and state income tax returns with the Parent. The Company calculates income tax expense or benefit, and settles the current amount payable to or receivable from the Parent as if it files a separate tax return.

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years for differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

**d) Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
**NOTES TO FINANCIAL STATEMENTS**  
DECEMBER 31, 2008 AND 2007

**Note 3 - Related Party Transactions**

The Company paid approximately \$205,000 in each of the years ended December 31, 2008 and 2007 for rent to the parent. These amounts are included in office expenses in the statements of operations. The lease is month - to - month and may be canceled at any time.

The Company has a management agreement with the Parent that requires the Company to pay the Parent 4% of total revenue of the Company, until such agreement is canceled by the Parent. Fees are paid for the use of the Parent's network of independent financial planning centers for marketing, and independent agent recruiting and training, among other items. During the years ended December 31, 2008 and 2007, the Company paid management fees of \$1,659,876 and \$1,803,907, respectively, to the Parent.

**Note 4- Defined Contribution Plan**

The Company makes contributions to a defined contribution plan, which covers qualified employees. Contributions by the Company are made solely at the discretion of the board of directors of the Company. During the years ended December 31, 2008 and 2007, the Company contributed approximately \$135,000 and \$133,000, respectively, to the plan.

**Note 5- Income Taxes**

Income tax expense (benefit) attributable to income (loss) from operations consists of:

Years ended December 31, 2008:	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
U.S. Federal	\$ (105,396)	\$ 27,086	\$ (78,310)
State and local	<u>(18,042)</u>	<u>4,637</u>	<u>(13,405)</u>
	<u>\$ (123,438)</u>	<u>\$ 31,723</u>	<u>\$ (91,715)</u>
Years ended December 31, 2007:	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
U.S. Federal	\$ 192,691	\$ 25,221	\$ 217,912
State and local	<u>32,985</u>	<u>4,317</u>	<u>37,302</u>
	<u>\$ 225,676</u>	<u>\$ 29,538</u>	<u>\$ 255,214</u>

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
**NOTES TO FINANCIAL STATEMENTS**  
DECEMBER 31, 2008 AND 2007

**Note 5- Income Taxes (continued)**

Income tax (benefit) differs from the amount computed by applying the statutory federal income tax rate of 34% to income before taxes as follows:

	<u>2008</u>	<u>2007</u>
Tax expense (benefit) at statutory federal income tax rate	\$ (82,868)	\$ 225,986
State income taxes, net of federal benefit	(8,847)	24,619
Non-deductible meals and entertainment and other	-	4,609
	<u>\$ (91,715)</u>	<u>\$ 255,214</u>

The tax effects of temporary differences that give rise to the deferred tax asset at December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Deferred tax asset		
Deferred revenue	\$ 200,545	182,854
Accrued expenses	6,962	20,102
Deferred lease incentive	<u>30,226</u>	<u>66,500</u>
Total deferred tax asset	237,733	269,456
Less valuation allowance	<u>-</u>	<u>-</u>
Net deferred tax asset	<u>237,733</u>	<u>269,456</u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences.

**Note 6 - Commitments and Contingencies**

*a) Litigation*

The Company, in normal course of business, is party to various legal actions. Management believes that the potential exposure, if any, from these matters would not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008 AND 2007**

**Note 6 - Commitments and Contingencies (continued)**

*b) Leases*

Future minimum rental commitments under non-cancelable operating leases for equipment are as follows:

Year ending December 31, 2009	<u>\$144,650</u>
	<u>\$144,650</u>

Rental expense for equipment was \$230,540 for both years ended December 31, 2008 and 2007. Rent expense has been offset by amortization of lease incentives in the amount of \$96,396 for both years ended December 31, 2008 and 2007. Lease incentives are deferred and amortized over the respective lease term.

**Note 7- Financial Instruments with Off-Balance Sheet Credit Risk**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company's transactions are collateralized and are executed with and on behalf of customers, banks, brokers and dealers and other financial institutions. The Company introduces these transactions for clearance to another broker/dealer on a fully disclosed basis.

The Company is engaged in various brokerage activities whose counterparties are customers and institutions. In the normal course of business, the Company is involved in the execution and settlement of various securities transactions. These activities may expose the Company to risk of loss in the event that the counterparty is unable to fulfill its contracted obligations and the Company has to purchase or sell the securities, underlying the contract, at a loss.

A substantial portion of the Company's assets is held at a clearing broker. The Company is subject to credit risk should the clearing broker be unable to fulfill its obligations. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customers' activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions when necessary.

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 and 2007

**Note 8- Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission's Net Capital Rule (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 1500%. At December 31, 2008, the Company had net capital of \$583,240, which was \$470,189 in excess of its required net capital of \$113,051. The Company's net capital ratio was 290.75%.

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A copy of the Firm's statement of Financial Condition as of December 31, 2008, pursuant to SEC Rule 17a-5, is available for examination at the Firm's office and at the regional office of the SEC.



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074  
E-mail: [LS@lernersipkin.com](mailto:LS@lernersipkin.com)

To the Officers and Directors of  
Money Concepts Capital Corp.  
11440 North Jog Road  
Palm Beach Gardens, FL 33418

Gentlemen:

We have audited the accompanying statement of financial condition of Money Concepts Capital Corp. (A Wholly Owned Subsidiary of Money Concepts International, Inc.) as of December 31, 2008. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. The financial statement of Money Concepts Capital Corp. as of December 31, 2007 was audited by other auditors whose report dated February 26, 2008 expressed an unqualified opinion on that statement.

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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Money Concepts Capital Corp. as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Lerner & Sipkin, CPAs, LLP  
Certified Public Accountants (NY & FL)

New York, NY  
February 6, 2009

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
**STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2008

**MONEY CONCEPTS CAPITAL CORP.**  
(A Wholly Owned Subsidiary of Money Concepts International, Inc.)  
**INDEPENDENT AUDITORS' REPORT ON**  
**INTERNAL ACCOUNTING CONTROL**

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074  
E-mail: LS@lerner-sipkin.com

To the Officers and Directors of  
Money Concepts Capital Corp.  
11440 North Jog Road  
Palm Beach Gardens, FL 33418

Gentlemen:

In planning and performing our audit of the financial statements of Money Concepts Capital Corp. (A Wholly Owned Subsidiary of Money Concepts International, Inc.) as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion of 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, 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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 December 31, 2008, to meet the SEC's objectives.

Further, that no material differences existed between our computations of your net capital, or determination of the reserve requirements, and your corresponding FOCUS Report Part IIA filing.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the divisions of duties and cross checks generally included in a system of internal accounting control and that alternatively greater reliance must be placed on surveillance by management.

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.

  
Lerner & Sipkin, CPAs, LLP  
Certified Public Accountants (NY & FL)

New York, NY  
February 6, 2009