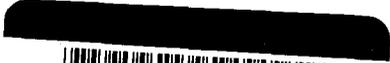


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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, 2010 AND ENDING December 31, 2011  
Date Date

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Transnational Capital Corp.

OFFICIAL USE ONLY
_____
FIRM I.D. NO.

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

420 Lexington Avenue, Suite 300

(No. and Street)

New York

(City)

New York

(State)

10170

(Zip Code)

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

Ivy Fredericks

973-467-1223

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Friedman LLP

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

406 Lippincott Drive, Suite J

(Address)

Marlton

(City)

NJ

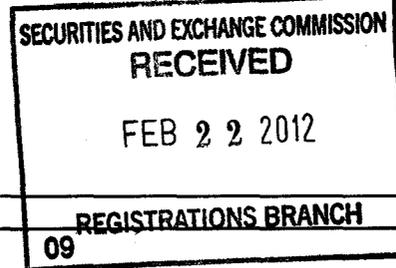
(State)

08053

(Zip Code)

**CHECK ONE**

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



FOR OFFICIAL USE ONLY
REGISTRATIONS BRANCH
09

\* 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.

01/24/12

OATH OR AFFIRMATION

I, Ivy Fredericks, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Transnational Capital Corp. as of December 31, 2011, 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:

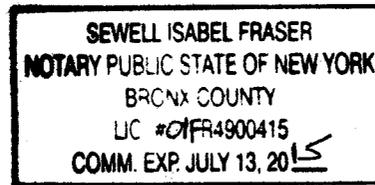
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Ivy Fredericks*  
Signature  
President & CEO  
Title

*[Signature]*  
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) 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).

# TRANSNATIONAL CAPITAL CORP.

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# FRIEDMAN LLP

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Stockholder  
Transnational Capital Corp.

We have audited the accompanying statement of financial condition of Transnational Capital Corp. (the "Company") as of December 31, 2011, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that are filed 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 consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. 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 our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Transnational Capital Corp. as of December 31, 2011 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 financial statements as a whole. The supplementary information contained in Schedules I and II required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Friedman LLP*

February 13, 2012

**TRANSNATIONAL CAPITAL CORP.**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2011**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 101,930
Prepaid expenses	1,517
Security deposit	4,206
	<hr/>
	\$ 107,653
<hr/>	
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 10,903
	<hr/>
<b>Stockholder's equity</b>	
Common stock	
Class A, voting - 200 shares authorized, issued and outstanding, at stated value	25,000
Additional paid-in capital	80,276
Accumulated deficit	(8,526)
	<hr/>
	96,750
	<hr/>
	\$ 107,653
	<hr/>

See notes to financial statements.

**TRANSNATIONAL CAPITAL CORP.**

**STATEMENT OF INCOME**

**YEAR ENDED DECEMBER 31, 2011**

<b>Revenue</b>	
Consulting fees	\$ 120,334
Reimbursement income	703
Interest income	25
	<hr/>
	121,062
	<hr/>
<b>Operating expenses</b>	
General and administrative	47,076
Travel and entertainment	29,788
Rent	27,116
	<hr/>
	103,980
	<hr/>
Income before income taxes	17,082
	<hr/>
Income taxes	1,637
<b>Net income</b>	<hr/>
	\$ 15,445
	<hr/>

See notes to financial statements.

**TRANSNATIONAL CAPITAL CORP.**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

**YEAR ENDED DECEMBER 31, 2011**

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's Equity
Balance at January 1, 2011	\$ 25,000	\$ 78,801	\$ (23,971)	\$ 79,830
Net income	-	-	15,445	15,445
Capital Contributions	-	1,475	-	1,475
<b>Balance at December 31, 2011</b>	<b>\$ 25,000</b>	<b>\$ 80,276</b>	<b>\$ (8,526)</b>	<b>\$ 96,750</b>

See notes to financial statements.

**TRANSNATIONAL CAPITAL CORP.**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2011**

<b>Cash flows from operating activities</b>	
Net income	\$ 15,445
Adjustments to reconcile net income to net cash provided by operating activities	
Changes in assets and liabilities	
Accounts receivable	16,625
Prepaid expenses	(1,517)
Accounts payable and accrued expenses	(8,210)
<hr/> Net cash provided by operating activities	<hr/> 22,343
 <b>Cash flows from financing activities</b>	
Capital contributions	1,475
<hr/>	
<b>Net increase in cash and cash equivalents</b>	<b>23,818</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>78,112</b>
<hr/> <b>Cash and cash equivalents, end of year</b>	<hr/> <b>\$ 101,930</b>
 <b>Supplemental cash flow disclosures</b>	
Income taxes paid	\$ 1,637

See notes to financial statements.

**TRANSNATIONAL CAPITAL CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Business**

Transnational Capital Corp. (the "Company") was organized under the laws of the state of New York on February 7, 2005. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") and secures financing and offers financial advisory services.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Concentrations of Credit Risk for Cash**

The Company's cash balances are maintained at one financial institution. Balances are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

**Cash and Cash Equivalents**

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less and all money market accounts.

**Revenue Recognition**

Consulting revenue includes fees earned from securing financing and financial advisory services. Nonrefundable advances received for consulting services are recorded as consulting income when services are rendered. Contingency fees are recognized at the time the financing is placed and the income is reasonably determinable.

**Income Taxes**

The Company is not a taxpaying entity for Federal and state income tax purposes and, accordingly, no provision has been made for such income taxes. The stockholder's allocable share of the Company's income or loss is reportable in their income tax returns. Provisions are made for New York State S Corporation franchise tax and New York City general corporation tax.

Federal, state and local income tax returns for years prior to 2008 are no longer subject to examination by tax authorities.

**Concentrations**

During fiscal 2011, sales to two customers were approximately 65% and 34%, respectively, of total annual sales.

**TRANSNATIONAL CAPITAL CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising Costs**

Advertising costs, which are expensed as incurred, totaled approximately \$390 for the year ended December 31, 2011.

**Subsequent Events**

These financial statements were approved by management and available for issuance on February 13, 2012. Management has evaluated subsequent events through this date.

**2 - REGULATORY REQUIREMENTS**

As a registered broker-dealer, the Company is subject to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, which requires that the Company's aggregate indebtedness shall not exceed fifteen times net capital, as defined. At December 31, 2011, the Company had net capital of \$91,027, which exceeded requirements by \$86,027. The ratio of aggregate indebtedness to net capital was 0.12 to 1.

**SUPPLEMENTARY INFORMATION**

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

**As of December 31, 2011**

**TRANSNATIONAL CAPITAL CORP.**

**SCHEDULE I**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION**

**DECEMBER 31, 2011**

<b>Computation of net capital</b>	
Total stockholder's equity	\$ 96,750
Deductions and/or charges	
Non-allowable assets	
Prepaid expenses	1,517
Security deposit	4,206
<b>Net capital</b>	<b>\$ 91,027</b>
<b>Computation of aggregate indebtedness</b>	
Accounts payable, accrued expenses and other liabilities includable in aggregate indebtedness	\$ 10,903
<b>Aggregate indebtedness</b>	<b>\$ 10,903</b>
<b>Computation of basic net capital requirement</b>	
Minimum net capital required (6 2/3% of aggregate indebtedness)	\$ 727
Minimum dollar requirement	5,000
<b>Net capital requirement (greater of minimum net capital or dollar requirement)</b>	<b>\$ 5,000</b>
<b>Excess net capital</b>	<b>\$ 86,027</b>
<b>Excess net capital at 1000 percent</b>	<b>\$ 89,937</b>
<b>Ratio: aggregate indebtedness to net capital</b>	<b>0.12 to 1</b>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2010)	
Net capital, as reported in Company's Part II (unaudited) Focus report	\$ 91,702
Increases (decreases) resulting from December 31, 2011 audit adjustments, net	(675)
<b>Net capital, as included in this report</b>	<b>\$ 91,027</b>

**TRANSNATIONAL CAPITAL CORP.**

**SCHEDULE II**

**STATEMENT REGARDING SEC RULE 15c3-3**

**DECEMBER 31, 2011**

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) of that Rule.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION**

To the Stockholder  
Transnational Capital Corp.

In planning and performing our audit of the financial statements of Transnational Capital Corp. (the "Company"), as of and for the year ended December 31, 2011, 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 previously 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, errors 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 deficiency in internal control 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 and correct, 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 previously.

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, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, Inc. 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.

*Friedman LLP*

Certified Public Accountants  
Marlton, New Jersey

February 13, 2012