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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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8-30682

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 01/01/11 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: First Capital Equities, Ltd.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

80 Cutter Mill Road

(No. and Street)

Great Neck

(City)

New York

(State)

10021

(Zip Code)

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

David Schwartz

516-487-8220

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Schwartz & Company, LLP

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

2580 Sunrise Highway

(Address)

Bellmore

(City)

New York

11710

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION
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REGISTRATIONS BRANCH
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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)

OATH OR AFFIRMATION

I, David Schwartz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Capital Equities, Ltd., 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:

Signature
Title

Kathy Waters

Notary Public

KATHY WATERS
Notary Public, State of New York
Registration #01WA4816947
Qualified In Nassau County
Commission Expires Feb. 11, 2015

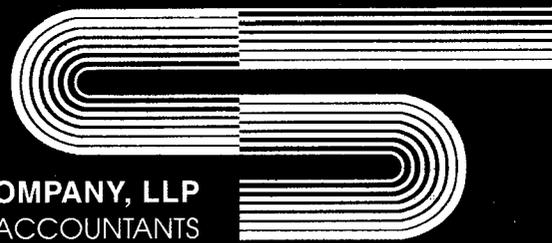
This report ** contains (check all applicable boxes):

- (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).

FIRST CAPITAL EQUITIES, LTD.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2011



SCHWARTZ & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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FIRST CAPITAL EQUITIES, LTD.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2011



SCHWARTZ & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

FIRST CAPITAL EQUITIES, LTD.
FINANCIAL STATEMENTS
DECEMBER 31, 2011

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SCHWARTZ & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Shareholders of
First Capital Equities, Ltd.

We have audited the accompanying statement of financial condition of First Capital Equities, Ltd. (the "Company") as of December 31, 2011, and the related statements of income, changes in stockholders' 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 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 First Capital Equities, Ltd., as of December 31, 2011, 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 supplementary information contained in Schedule I required 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.

Schwartz & Company, LLP

Bellmore, New York
February 14, 2012

FIRST CAPITAL EQUITIES, LTD.
STATEMENT OF FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2011

ASSETS

Cash and cash equivalents	\$ 134,156
Certificate of deposit	7,264
Commissions and fees receivable	6,234
Prepaid expense	<u>3,406</u>
 Total assets	 <u>\$ 151,060</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ <u>9,426</u>
Stockholders' equity	
Common stock (no par value, 200 shares authorized, 75 shares issued and outstanding)	-
Additional paid-in capital	50,000
Retained earnings	<u>91,634</u>
 Total stockholders' equity	 <u>141,634</u>
 Total liabilities and stockholders' equity	 <u>\$ 151,060</u>

See accompanying notes and auditors' report

FIRST CAPITAL EQUITIES, LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

Income	
Commission and fee income	<u>\$ 80,116</u>
Expenses	
Employee compensation and benefits	16,000
Professional fees	7,980
Commission expense	4,676
Registration fees	3,431
Occupancy expense	2,000
Insurance	682
Telephone	200
General and administrative	<u>4,440</u>
Total expenses	<u>39,409</u>
Net income from operations	<u>40,707</u>
Other Income	
Interest income	<u>412</u>
Net income	<u>\$ 41,119</u>

See accompanying notes and auditors' report

FIRST CAPITAL EQUITIES, LTD.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

	Common Stock		Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Par Value			
Balance - January 1, 2011	60	\$ 8,000	\$ 2,000	\$ 186,030	\$ 196,030
Reclassification	-	(8,000)	8,000	-	-
Additional common stock issued	15	-	40,000	-	40,000
Dividend paid	-	-	-	(135,515)	(135,515)
Net income	-	-	-	41,119	41,119
Balance - December 31, 2011	<u>75</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 91,634</u>	<u>\$ 141,634</u>

See accompanying notes and auditors' report



FIRST CAPITAL EQUITIES, LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash flows from operating activities:	
Net income	\$ 41,119
Adjustments to reconcile net income to net cash provided by operating activities:	
Decrease in assets:	
Commissions and fees receivable	2,814
Prepaid expense	1,944
Increase in liabilities:	
Accounts payable and accrued expenses	<u>4,676</u>
Net cash provided by operating activities	<u>50,553</u>
Cash flows used in investing activities:	
Certificate of deposit	<u>(47)</u>
Cash flows used in financing activities:	
Proceeds from the issuance of common stock	40,000
Dividend paid	<u>(135,515)</u>
Net cash used in financing activities	<u>(95,515)</u>
Net decrease in cash	(45,009)
Cash and cash equivalents - beginning of year	<u>179,165</u>
Cash and cash equivalents - end of year	<u>\$ 134,156</u>
Supplemental disclosures of cash flow information:	
Interest expense	<u>\$ -</u>
Income taxes	<u>\$ 25</u>

See accompanying notes and auditors' report

FIRST CAPITAL EQUITIES, LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: Operations and Structure

First Capital Equities, Ltd. (the "Company"), is a New York corporation and was organized in 1983. The Company has registered with the Securities and Exchange Commission ("SEC") as a broker-dealer in securities under the Securities Exchange Act of 1934, and operates under a membership agreement with the Financial Industry Regulatory Authority ("FINRA"). The Company is required to maintain a minimum net capital pursuant to SEC Rule 15c3-1.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Financial statements prepared on a GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Cash and Cash Equivalents

Cash and cash equivalents include deposits in checking accounts and highly liquid investments in money market funds.

Revenue Recognition

The Company earns commissions and fees from the sale of mutual fund investments and variable life insurance and annuities. Revenue is recognized when the commission and fees are earned.

The Company does not carry accounts for customers or perform custodial functions related to securities.

Commissions and Fees Receivable

Commissions and fees receivable represent amounts due from the sale of mutual fund investments and variable life insurance and annuities. Commissions and fees receivable are reported at their outstanding unpaid principal balances. Accounts are considered past due once the unpaid balance is 90 days or more outstanding. When the account balance is past due and attempts have been made to collect the receivable through legal or other means, the amount will be written-off.

FIRST CAPITAL EQUITIES, LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 2: Summary of Significant Accounting Policies (continued)

Income Taxes

The Company has elected under provisions of the Internal Revenue Code to be taxed as an S Corporation. Under those provisions, the Company does not pay income taxes on its taxable income. Instead, the stockholder is liable for the income taxes on the individual's tax return.

The Company adopted the provisions of FASB ASC 740, *Accounting for Income Taxes*. The provision addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

Note 3: Stockholders' Equity

On June 16, 2011, the Company adopted a new shareholders' agreement to include the following:

The Company is authorized to issue 200 shares of common stock with no par value. As of December 31, 2011 the Company has issued 75 shares of common stock.

The shareholders are subject to restrictions on transfer of shares as disclosed in the Company's shareholders' agreement.

Unless otherwise agreed in writing by the shareholders, the Company shall make cash dividend distributions each quarter in an amount equal to the excess of the Company's working capital over \$50,000, subject to adjustment from time to time as mutually agreed by the shareholders.

FIRST CAPITAL EQUITIES, LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 3: Stockholders' Equity (continued)

On June 16, 2011, the Company issued fifteen shares of common stock to a new shareholder for an aggregate purchase price of \$40,000 in accordance with the terms and conditions set forth in the executed stock purchase agreement. Pursuant to this stock purchase agreement the new shareholder has the option to purchase an additional 25 shares of common stock for an aggregate purchase price of \$40,000 during the thirty-day period commencing June 15, 2012 given that the existing shareholder does not exercise his option first to purchase all shares from the new shareholder during the thirty day period commencing May 15, 2012. If neither option is exercised the new shareholder also has an option to sell all of his shares either back to the Company or to the existing shareholder during the thirty-day period commencing June 15, 2012.

Note 4: Uncertain Tax Positions

As a result of the adoption of the provisions of FASB ASC 740, *Accounting for Income Taxes*, the Company recognized no material adjustments to liabilities or stockholders' equity. Interest and penalties associated with unrecognized tax benefits are classified in general and administrative expenses in the statement of operations. The adoption of these provisions did not have a material impact on the Company's financial statements.

The Company had no unrecognized tax benefits and related interest and penalties expenses. Currently, the Company is not subject to examination by major tax jurisdictions. The Company is no longer subject to examination by U.S. federal and state tax authorities for the years prior to 2008.

Note 5: Exemption from Rule 15c3-3

The Company is exempt from Rule 15c3-3 based upon paragraph (k)(2)(i) as it does not maintain customers' accounts.

Note 6: Exemption from Securities Investor Protection Corporation – Assessment Reconciliation

The Company is exempt from filing the assessment reconciliation with the Securities Investor Protection Corporation as its income does not exceed \$500,000 for the year ended December 31, 2011.

FIRST CAPITAL EQUITIES, LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 7: Net Capital Requirement

The Company is subject to the Securities and Exchange Commissions Uniform Net Capital Rule 15c3-1. This rule 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. At December 31, 2011, the Company had net capital of approximately \$129,800, which was \$124,800 in excess of its required net capital of \$5,000.

Note 8: Concentration of Credit Risk

Periodically throughout the year and at December 31, 2011, the Company may have cash in excess of the federally insured limits. The Company has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk on cash.

One customer accounted for 45% and 50% of total commissions and fees receivable and total commission and fee income, respectively, at December 31, 2011.

Note 9: Related Party Transactions

Pursuant to an expense and facilities sharing agreement (the "Agreement") between the Company and an affiliate, the Company pays a monthly administrative fee for utilizing certain resources of the affiliate. The Company was charged \$24,000 for the year ended December 31, 2011 under the Agreement.

Note 10: Reclassification

Common stock and additional paid-in capital opening amounts have been reclassified on the statement of changes in stockholders' equity to conform to current period financial statement presentation. This reclassification has no effect on previously reported net income.

Note 11: Subsequent Events

On February 14, 2012, the Company paid \$30,000 in dividends.



SUPPLEMENTARY INFORMATION
PURSUANT TO RULE 17a-5 OF THE
SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2011



FIRST CAPITAL EQUITIES, LTD.
 SCHEDULE I: COMPUTATION OF NET CAPITAL PURSUANT
 TO UNIFORM NET CAPITAL RULE 15c3-1
 DECEMBER 31, 2011

Net capital	<u>\$ 129,866</u>
Aggregate indebtedness	<u>\$ 9,426</u>
Computation of basic net capital requirement	
Computed minimum net capital required (6.67% of aggregate indebtedness)	<u>\$ 628</u>
Minimum dollar net capital requirement	<u>\$ 5,000</u>
Excess net capital (\$129,866 - \$5,000)	<u>\$ 124,866</u>
Percentage of aggregate indebtedness to net capital	<u>7.26%</u>

Reconciliation with Company's computation included
 in part II of Form X-17A-5 as of December 31, 2011

Net capital, as reported in Company's part II (unaudited)	
FOCUS report	\$ 133,817
Non-allowable assets erroneously reported as allowable:	
Commissions and fees receivable	(5,093)
Audit adjustments:	
To increase commissions and fees receivable	2,617
To record additional prepaid expense	1,799
To adjust understated accrued expenses	(3,936)
Haircut adjustments:	
Excessive haircut taken on certificate of deposit	36
Excessive haircut taken on money market funds	<u>626</u>
Net capital per the preceding calculation	<u>\$ 129,866</u>

Independent Auditors' Supplementary Report on Internal Control

To the Stockholders of
First Capital Equities, Ltd.

In planning and performing our audit of the financial statements of First Capital Equities, Ltd., (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 (the "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 compliance with 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 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 accounting principles generally accepted in the United States of America. 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 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 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 statement 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 management, the SEC 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.

Schwartz & Company, LLP

Bellmore, New York
February 14, 2012