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UNITED STATES  
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- 26657

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: JRL Capital Corporation

OFFICIAL USE ONLY

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

FIRM I.D. NO.

1048 Irvine Ave Ste 628

(No. and Street)

Newport Beach

CA

92660

(City)

(State)

(Zip Code)

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

Larry R. Law

949-650-2928

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

KMJ Corbin & Company

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

555 Anton Blvd, Ste 1000, Costa Mesa, CA 92626

(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

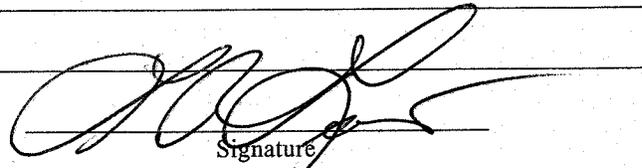
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

44

OATH OR AFFIRMATION

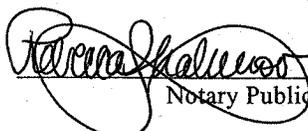
I, Larry R. Law, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JRL Capital Corporation, as of December 31, 2011, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

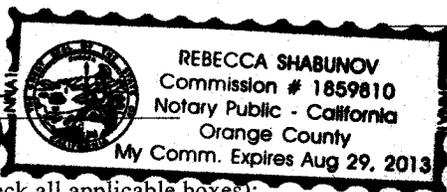
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

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).

**JRL Capital Corporation**  
(A Wholly Owned Subsidiary of  
JRL Capital Management Group)  
SEC ID No. 8-26657

**For The Year Ended December 31, 2011**

***Financial Statements***

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)  
SEC ID No. 8-26657

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE**

**For The Year Ended December 31, 2011**

*with*

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
THEREON**

*and*

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Director of the Board  
JRL Capital Corporation

We have audited the accompanying statement of financial condition of JRL Capital Corporation (the "Company") (a wholly owned subsidiary of JRL Capital Management Group) as of December 31, 2011, and the related statements of operations, stockholder's 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 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 JRL Capital Corporation 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 taken as a whole. The supplementary information contained in Schedule I 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 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 taken as a whole.

*KMJ Corbin & Company LLP*  
KMJ Corbin & Company LLP

Costa Mesa, California  
February 27, 2012

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

**STATEMENT OF FINANCIAL CONDITION**

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<b>ASSETS</b>	<b>December 31, 2011</b>
Current assets:	
Cash and cash equivalents	\$ 34,340
Accounts receivable	27,807
Deferred tax asset	4,200
Prepaid expenses	<u>8,064</u>
	<u>\$ 74,411</u>
 <b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
Liabilities:	
Accounts payable and accrued expenses	\$ <u>29,189</u>
Commitments and contingencies	
Stockholder's equity:	
Common stock, no par value; 1,000 shares authorized, issued and outstanding	73,404
Accumulated deficit	<u>(28,182)</u>
Total stockholder's equity	<u>45,222</u>
	<u>\$ 74,411</u>

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*See accompanying notes to financial statements*

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

**STATEMENT OF OPERATIONS**

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	<b>For The Year Ended December 31, 2011</b>
Revenues:	
Commissions	\$ 486,508
Other	<u>21,859</u>
Total revenues	<u>508,367</u>
Expenses:	
Commissions	415,739
Related-party management fees	80,807
General and administrative	<u>11,663</u>
Total expenses	<u>508,209</u>
Income before provision for income taxes	158
Provision for income taxes	<u>800</u>
Net loss	<u>\$ (642)</u>

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*See accompanying notes to financial statements*

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

**STATEMENT OF STOCKHOLDER'S EQUITY**

**For The Year Ended December 31, 2011**

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	<u>Common Stock</u>		<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Deficit</u>	<u>Stockholder's</u>
				<u>Equity</u>
Balance at January 1, 2011	1,000	\$ 48,404	\$ (27,540)	\$ 20,864
Contributed capital	-	25,000	-	25,000
Net loss	-	-	(642)	(642)
Balance at December 31, 2011	<u>1,000</u>	<u>\$ 73,404</u>	<u>\$ (28,182)</u>	<u>\$ 45,222</u>

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*See accompanying notes to financial statements*

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

**STATEMENT OF CASH FLOWS**

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	<b>For The Year Ended December 31, 2011</b>
Cash flows from operating activities:	
Net loss	\$ (642)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(16,344)
Prepaid expenses	(6,087)
Accounts payable and accrued expenses	<u>20,985</u>
Net cash used in operating activities	<u>(2,088)</u>
Cash flows provided by financing activities:	
Contributed capital	<u>25,000</u>
Net change in cash and cash equivalents	22,912
Cash and cash equivalents at beginning of year	<u>11,428</u>
Cash and cash equivalents at end of year	\$ <u><u>34,340</u></u>
Supplemental cash flow information -	
Cash paid during the year for:	
Interest	\$ <u><u>-</u></u>
Income taxes	\$ <u><u>800</u></u>

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*See accompanying notes to financial statements*

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

**NOTES TO FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2011**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Business

JRL Capital Corporation (the “Company”) was incorporated in California on June 4, 1981. The Company is a wholly owned subsidiary of JRL Capital Management Group (“CMG”).

The Company is registered with the Securities Exchange Commission (“SEC”) as a broker/dealer in securities and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph (k)(2)(ii) of such rule) under the Securities Exchange Act of 1934, as the Company provides securities brokerage services through a smaller number of registered representatives licensed with the firm. The Company does not maintain its own security accounts or perform custodial functions related to the security transactions. Because of such exemptions, the Company is not required to prepare a determination of reserve requirements and possession or control requirements of Rule 15c3-3.

Registration

The Company must register with state departments that govern compliance with securities laws for the states in which it does business. The Company generates a substantial amount of commission income in the State of California. Various regulatory requirements exist in each state with which the Company must comply. Should the Company violate certain state securities laws, it could be prohibited from doing business in that state.

Concentrations of Credit Risk

*Cash and cash equivalents*

The Company maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”). The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these deposits.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31, 2011

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

*Customers*

In the normal course of business, the Company's customer activities involve the provision of securities brokerage services through a small number of registered representatives licensed with the Company. This is facilitated by entering into "selling group agreements" with financial institutions that enable the Company's representatives to sell financial products to clients. These activities may expose the Company to off-balance-sheet credit risk in the event the customer is unable to fulfill its contracted obligations. The Company mitigates this risk by dealing with financial institutions through an extensive review process.

Cash and Cash Equivalents

The Company considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are recorded at cost, which approximate fair value.

Office Equipment

Office equipment consists of equipment, furniture and fixtures. Depreciation is provided for using the straight-line method over the estimated useful lives of the related assets, which is generally five to seven years. Office equipment is fully depreciated.

Revenue Recognition

For securities brokerage services, the Company recognizes commissions revenue on a trade-date basis. For commissions revenue related to real estate and private placement services, revenue is recognized upon closing of escrow. Other revenues consist primarily of bonuses earned on marketing assistance programs with third party securities/annuities companies. The Company recognizes these bonuses upon notification from the third party securities/annuities companies.

**NOTES TO FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2011**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Income Taxes

The Company files as part of a consolidated return of CMG. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements as if the Company were a separate taxpayer in accordance with the accounting guidance for income taxes. Deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such assets will not be realized through future operations.

The Company recognizes any uncertain tax positions on income tax returns at the largest amount that is more-likely-than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. There are no unrecognized tax benefits as of the date of adoption. There are no unrecognized tax benefits included in the statement of financial condition that would, if recognized, affect the effective tax rate. The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had \$0 accrued for interest and penalties on its statement of financial condition at December 31, 2011.

The Company is subject to taxation in the U.S and State of California. The Company does not foresee material changes to its gross uncertain income tax position liability within the next twelve months. The Company is no longer subject to IRS or state examinations prior to 2007.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include but are not limited to, the collectibility of receivables and the realizability of deferred income tax assets. Actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2011**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Liquidity and Risks

The Company has a limited operating history and relies on a small group of customers for all of its operating cash flow.

The Company's ability to continue in existence is dependent on, among other factors, the Company's ability to continue to generate adequate cash flows from operations and from debt and equity financing to fund its operations. The Company has addressed the factors mentioned above by focusing on its business plan to increase its customer base. Management believes that this plan is sufficient to allow the Company to adequately fund its operations through at least February 28, 2013. In the event that additional funds are required, CMG has committed to provide such funding.

Subsequent Events

The Company has evaluated and determined that no events have occurred subsequent to the statement of financial condition date and through the date of issuance of these financial statements, which would require inclusion or disclosure in its financial statements other than as described in the accompanying notes.

**NOTE 2 – OFFICE EQUIPMENT**

Office equipment consisted of the following at December 31, 2011:

Computer equipment	\$ 2,378
Less accumulated depreciation	<u>(2,378)</u>
	<u>\$ -</u>

There was no depreciation expense for the year ended December 31, 2011.

**NOTES TO FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2011**

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**NOTE 3 – INCOME TAXES**

For the year ended December 31, 2011, the income tax provision consists of the following:

California:	
Current	\$ <u>          800</u>

The accompanying statement of financial condition reflects a deferred tax asset of \$4,200 related to the Company's net operating loss carryforwards. For Federal and California income tax purposes, the Company has net operating loss carryforwards of \$17,000 and \$36,000, respectively, which expire through 2031. Income tax expense differed from the amounts computed by applying the U.S. Federal income tax rate of 34 percent and state income taxes.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

CMG provided the Company with office space, miscellaneous office expenses and management services. The Company paid \$80,807 in management fees for the year ended December 31, 2011. The results of operations could be significantly different if the Company were to operate autonomously of the related entity.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain transactions. The Company indemnifies its director to the maximum extent permitted under the laws of the State of California. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. These indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make any payments for these obligations and no liabilities have been recorded for these indemnities and guarantees in the accompanying statement of financial condition.

Legal

In 2010, the Company was named in two FINRA arbitration filings regarding an investment in an unrelated entity made by customers through the Company at the recommendation of certain of its registered representatives. Both FINRA arbitrations have been dismissed in 2011.

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

**NOTES TO FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2011**

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**NOTE 6 – NET CAPITAL REQUIREMENTS**

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires that the Company maintain a minimum net capital, as defined, and may not permit its aggregate indebtedness, as defined, to exceed fifteen times its net capital. At December 31, 2011, under the most restrictive requirement, the Company had net capital of \$18,068 which was \$13,068 in excess of its minimum required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 1.62 to 1.

**JRL CAPITAL CORPORATION**  
(A WHOLLY OWNED SUBSIDIARY OF JRL CAPITAL MANAGEMENT GROUP)

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

As of December 31, 2011

	Unaudited Amounts per FOCUS Report	Amounts Based on Annual Report	Difference Increase (Decrease)
Net capital -			
Total stockholder's equity from statement of financial condition	\$ 45,222	\$ 45,222	\$ -
Deductions and/or charges:			
Nonallowable assets included in the following statement of financial condition captions:			
Accounts receivable	14,390	14,390	-
Deferred tax asset	4,200	4,200	-
Prepaid expenses	8,064	8,064	-
Haircut on securities	<u>500</u>	<u>500</u>	-
Total deductions and/or charges	<u>27,154</u>	<u>27,154</u>	-
Net capital	18,068	18,068	-
Minimum net capital required	<u>5,000</u>	<u>5,000</u>	-
Excess net capital	<u>\$ 13,068</u>	<u>\$ 13,068</u>	<u>\$ -</u>
Total aggregate indebtedness	<u>\$ 29,189</u>	<u>\$ 29,189</u>	<u>\$ -</u>
Ratio of aggregate indebtedness to net capital	<u>1.62 to 1</u>	<u>1.62 to 1</u>	

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

Director of the Board  
JRL Capital Corporation

In planning and performing our audit of the financial statements of JRL Capital Corporation (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 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 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, 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.

KMJ Corbin & Company LLP

KMJ Corbin & Company LLP

Costa Mesa, California  
February 27, 2012

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC  
ASSESSMENT RECONCILIATION**

Director of the Board  
JRL Capital Corporation

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 General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2011, which were agreed to by JRL Capital Corporation (the "Company") and the Securities and Exchange Commission ("SEC"), Financial Industry Regulatory Authority, Inc. ("FINRA") and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Form SIPC-7. The Company's management is responsible for the Company'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 and copies of checks, noting no differences;
2. Compared the amounts reported in Part III of the Annual Audit Report on Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011, noting a difference as follows;

<u>Item No.</u>	<u>Description</u>	<u>Per SIPC-7</u>	<u>Per KMJ</u>	<u>Difference</u>
2a	Total revenue	\$ 518,641	\$508,367	\$ 10,274

The difference noted above was due to reclassification of certain reimbursements of expenses from total revenue to expenses.

3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers (general ledger transaction details by account), noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers (general ledger transaction details by account) supporting the adjustments, noting no differences; and

5. Compared the amount of any overpayment, if applicable, applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

As a result of applying these agreed-upon procedures, the Company has overpaid its General Assessment with the differences summarized as follows:

Item No.	Per SIPC-7 submitted	Recomputed by KMJ
2a	\$ 518,641	\$ 508,367
2c(1)	313,296	313,296
Total deductions	313,296	313,296
SIPC net operating revenues	\$ 205,345	\$ 195,071
General assessment	\$ 513	\$ 488
Less payment made with SIPC-6	(60)	(60)
Less prior overpayment applied	(6)	(6)
Less payment made with SIPC-7	(447)	(447)
Overpayment	\$ -	\$ (25)

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.

*KMJ Corbin & Company LLP*  
KMJ Corbin & Company LLP

Costa Mesa, California  
February 27, 2012

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended Dec 31, 20 11

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

026657 FINRA DEC  
JRL CAPITAL CORPORATION 23\*23  
1048 IRVINE AVE # 628  
NEWPORT BEACH CA 92660-4602

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Larry Law 949-650-2928

2. A. General Assessment (item 2e from page 2) \$ 513

B. Less payment made with SIPC-6 filed (exclude interest) (60)

Date Paid \_\_\_\_\_

C. Less prior overpayment applied (6)

D. Assessment balance due or (overpayment) \_\_\_\_\_

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_

F. Total assessment balance and interest due (or overpayment carried forward) \$ 447

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 447

H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):  
\_\_\_\_\_  
\_\_\_\_\_

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

JRL Capital Corporation  
(Name of Corporation, Partnership or other organization)

[Signature]  
(Authorized Signature)

President  
(Title)

Dated the 25 day of Jan, 20 12

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER** Dates: Postmarked Received Reviewed  
Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_  
Exceptions: \_\_\_\_\_  
Disposition of exceptions: \_\_\_\_\_

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning Jan, 20 11  
and ending Dec 31, 20 11

Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 518,641

**2b. Additions:**

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

**2c. Deductions:**

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

313,296

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

313,296

2d. SIPC Net Operating Revenues

\$ 205,345

2e. General Assessment @ .0025

\$ 513

(to page 1, line 2.A.)