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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)

FOR OFFICIAL USE ONLY

- CHECK ONE:
- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PO Box 382823
Birmingham AL 35238-282
(Address) (City) (State) (Zip Code)

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

Gary Hutto CPA, LLC

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

B. ACCOUNTANT IDENTIFICATION

Michael A. Jones
(205) 307-7870
(Area Code - Telephone Number)

Birmingham AL 35203
(City) (State) (Zip Code)

(No. and Street)

2107 5th Avenue North, Suite 500

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

NAME OF BROKER-DEALER: Securities Capital Corporation

A. REGISTRANT IDENTIFICATION

REPORT FOR THE PERIOD BEGINNING 01/01/11 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

FACING PAGE

FORM X-17A-5
PART III

ANNUAL AUDITED REPORT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



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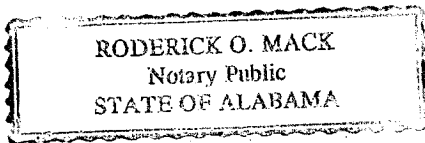
SEC FILE NUMBER
8-40044 SEC

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OATH OR AFFIRMATION

I, Michael A. Jones, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Securities Capital Corporation, as of December 31, 20 11, 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:



Michael A. Jones
Signature
Chairman & CEO
Title

Roderick O. Mack
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Mar 15, 2015
BONDED THRU NOTARY PUBLIC UNDERWRITERS

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) Report of Independent Registered Public Accounting Firm on Internal Control Required by SEC Rule 17a-5

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

SECURITIES CAPITAL CORPORATION

Statements of Financial Condition

December 31, 2011 and 2010

Assets	2011	2010
Cash	\$ 196,378	\$ 123,677
Deposits with Clearing Organizations	25,000	8,433
Commission Receivables, Net	2,404	8,206
Other Receivables	2,914	1,808
Securities Owned at Fair Value	436	287
Furniture, Equipment and Fixtures (less accumulated depreciation of \$18,538 and \$14,443 at December 31, 2011 and 2010, respectively)	12,607	13,082
Other Assets	2,834	-
Total Assets	\$ 242,573	\$ 155,493
Liabilities and Stockholder's Equity		
Accounts Payable	\$ 680	\$ 358
Accrued Liabilities	5,000	-
Total Liabilities	5,680	358
Stockholder's Equity		
Common Stock, \$25 Par Value, 200 Shares Issued, Authorized and Outstanding	5,000	5,000
Additional Paid-in Capital	300,516	300,516
Retained Deficit	(68,623)	(150,381)
Total Stockholder's Equity	236,893	155,135
Total Liabilities and Stockholder's Equity	\$ 242,573	\$ 155,493

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

SECURITIES CAPITAL CORPORATION

Notes to Statement of Financial Condition

December 31, 2011 and 2010

(1) Organization and Nature of Operations

Securities Capital Corporation (the Company), an Alabama corporation, is engaged in the buying and selling of investment securities as a registered broker-dealer with the Securities and Exchange Commission (SEC) and participates in the municipal bond securities market. It is also regulated by the Financial Industry Regulatory Authority (FINRA) and the Municipal Securities Rulemaking Board (MSRB).

The Company's statement of financial condition is presented in accordance with accounting principles generally accepted in the United States of America.

The Company began its operations in 1988 and its Chairman and Chief Executive Officer wholly owns all the common stock of the Company. The Company has one office located in Birmingham, Alabama.

The Company's primary business consists of providing security brokerage services to individuals and institutional investors who generate substantially all of its commission revenues. All securities transactions are settled through a clearing broker on a fully disclosed basis.

Pershing LLC (an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation) (Pershing or Clearing Firm) serves as the carrying broker. The Clearing Firm clears and performs the majority of other back office operations and maintains and preserves customer books and records as required by applicable provisions of the securities' laws and the applicable rules of its regulators. Furthermore, the Company is a correspondent of Saxony Securities, Inc. (Saxony or Reintroducing Firm).

Under the terms of the Company's agreements with Pershing and Saxony, the Company has ultimate responsibility for any loss, liability, damage, cost, or expense incurred as a result of the failure of any account to make timely payment for the securities purchased or timely and good delivery of securities sold on an account, although management expects no losses under these agreements.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Company is engaged in a single line of business as a securities broker-dealer. The Company principally acts as broker-dealer for various retail and institutional investors engaged primarily in the purchase and sale of equity securities and government securities and municipal underwritings, generally as part of a selling syndicate.

(b) Use of Estimates in Financial Statement

The preparation of financial statement 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 disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SECURITIES CAPITAL CORPORATION

Notes to Statement of Financial Condition

December 31, 2011 and 2010

(c) Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The carrying amounts reported in the accompanying statement of financial condition for cash and cash equivalents approximate their fair values.

(d) Deposits with Clearing Organizations

Cash and securities on deposit with clearing organizations include cash deposits with Pershing. This clearing deposit is restricted as to its use and withdrawal pursuant to the "Letter Agreement Concerning Deposit Account Held at Pershing LLC" by and between the Company, Saxony, and Pershing.

(e) Accounting for Securities Transactions and Commissions

Securities trading revenue, commission income, commission receivables from broker-dealers and related expenses are recorded on a trade date basis. The Company applies the provisions of FASB ASC 940-605, *Financial Services-Broker and Dealers, Revenue Recognition* to municipal underwritings in which the Company participates. ASC 940-605 requires that in order to recognize income from an underwriting three events must occur:

1. The registration statement must be effective,
2. The broker-dealer must make a firm commitment to purchase the debt from the issuer, and
3. The broker-dealer, if not the lead underwriter, must know how much of the debt principal has been allotted to him.

(f) Furniture and Fixtures

Furniture and fixtures are recorded at cost. Depreciation of furniture and equipment acquired prior to fiscal year 2009 is provided on a straight-line basis over a blended class life of seven years.

Additions since 2009 are depreciated over their useful lives of from three to seven years on a straight-line basis after applying estimated salvage values. Depreciation on such additions begins the month after the asset is placed in service.

(g) Income Taxes

The Company has elected treatment as a Sub-Chapter S corporation for both federal and state income tax purposes. Accordingly, no income tax expense has been recorded in the accompanying statement of operations because all income and loss of the Company flows through to its shareholders in accordance with Sub-Chapter S of the Internal Revenue Code of 1986, as amended.

(h) Subsequent Events

The Company has evaluated the effects of events or transactions through the date of this filing that have occurred subsequent to period end December 31, 2011. The Company does not believe there are any material subsequent events that would require further recognition or disclosure.

SECURITIES CAPITAL CORPORATION

Notes to Statement of Financial Condition

December 31, 2011 and 2010

(i) Reclassification

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

(3) Regulatory Requirements and Net Capital

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and which requires a ratio of aggregate indebtedness, as defined, of not more than 15 times net capital, as defined. At December 31, 2011, the Company has net regulatory capital of \$221,145, which is \$121,145 in excess of required net capital.

The Company claims an exemption from the provisions of the Securities and Exchange Commission's Customer Protection—Reserves and Custody of Securities Rule (Rule 15c3-3) pursuant to Section (k)(2)(ii) of the Rule.

(4) Commitments and Contingencies

There are no contingent liabilities or commitments outstanding as of December 31, 2011 and 2010. The Company is subject to the risk of litigation occurring in the ordinary course of its business. However, on management is not aware of any potential litigation or unasserted claims and assessments against the Company. The Company has not, and does not currently, retain legal counsel.

(7) Transactions with Clearing Firm

As further discussed in note 1, Pershing and Saxony provide clearing services and reintroducing services to the Company, respectively, in the normal course of operations pursuant to an agreement dated March 16, 2010 by and between Saxony and the Company and the "Tri-Party Reintroducing Addendum to Fully Disclosed Clearing Agreement" by and between Saxony, Pershing and the Company. Amounts for such services, among other things, are paid pursuant to those agreements. The amounts paid for such services are included in brokerage and clearing fees line in the accompanying statement of operations.

The deposits with clearing organizations are maintained with the Company's Reintroducing Broker to secure the Company's performance with such companies.

As of December 31, 2010, Saxony owed the Company \$8,300 in net commissions (shown in the statement of financial condition under the classification commission receivables, net).

Saxony reduces the commission receivables due the Company by execution and clearing expenses due Saxony. The amounts shown in the accompanying statement of financial condition as commission receivables, net, are net of the expenses or costs described in the preceding sentence.

SECURITIES CAPITAL CORPORATION

Notes to Statement of Financial Condition

December 31, 2011 and 2010

(8) Related Party Transactions

The Company is a family owned and run business. All employees/officers are related to each other. However, the Company does not purchase any goods or obtain any services (other than as employee/officers of the Company) from such individuals.

(9) Concentration of Credit Risk

The Company is engaged in trading various investment securities whose counterparties include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument.

Continued on Next Page

SECURITIES CAPITAL CORPORATION

Notes to Statement of Financial Condition

December 31, 2011 and 2010

(10) Reconciliation of Statement of Financial Condition

The following represents reconciliation between the unaudited Form X-17a-5 statement of financial condition and the audited statement of financial condition as of December 31, 2011 and 2010:

		Reclassifying and Adjusting Entries		
	Balance per Unaudited Form X-17a-5	Debit	Credit	Balance per Audited Statement of Financial Condition
Assets				
Cash	\$ 196,378	\$ -	\$ -	\$ 196,378
Receivables from Brokers or Dealers	28,431	1,887	2,914	27,404
Other Receivables	-	2,914	-	2,914
Securities Owned at Fair Value	435	1	-	436
Furniture, Equipment and Fixtures (less accumulated depreciation of \$18,538)	13,058	-	451	12,607
Other Assets	-	2,834	-	2,834
Total Assets	\$ 238,302	\$ 7,636	\$ 3,365	\$ 242,573
Liabilities				
Accounts Payable	\$ 680	\$ -	\$ -	\$ 680
Accrued Liabilities	-	-	5,000	\$ 5,000
Total Liabilities	680	-	5,000	5,680
Stockholder's Equity				
Common Stock	5,000	-	-	5,000
Additional Paid-in Capital	300,516	-	-	300,516
Retained Deficit	(67,894)	42,760	42,031	(68,623)
Total Stockholder's Equity	237,622	42,760	42,031	236,893
Total Liabilities and Stockholder's Equity	\$ 238,302	\$ 42,760	\$ 47,031	\$ 242,573