

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
8-67772

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 01/01/2011 AND ENDING 12/31/2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Select Capital Corporation, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

31351 Rancho Viejo Road, Suite 205

(No. and Street)

San Juan Capistrano

CA

92675

(City)

(State)

(Zip Code)

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

Burke Dambly

714-656-2127

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizabeth Tractenberg, CPA

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

3832 Shannon Road,

Los Angeles

CA

90027

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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



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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)

SEC 1410 (06-02)

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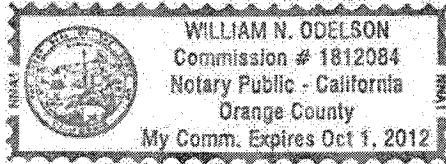
OATH OR AFFIRMATION

I, Burke Dambly, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Select Capital Corporation, Inc., 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:

None

[Signature]
Signature
President
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.

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

Select Capital Corporation
Report Pursuant to Rule 17a-5 (d)
Financial Statements
For the Year Ended December 31, 2011

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Elizabeth Tractenberg, CPA

3832 SHANNON ROAD
LOS ANGELES, CALIFORNIA 90027
323/669-0545 – Fax 323/669-0575

Independent Auditor's Report

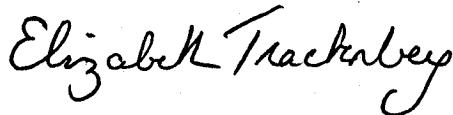
Board of Directors
Select Capital Corporation
San Juan Capistrano, California

I have audited the accompanying statement of financial condition of Select Capital Corporation, (the Company) as of December 31, 2011 and related statements of income (loss), changes in financial condition, and changes in shareholders' equity for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2011 and the results of its operations, changes in financial condition and shareholders' equity for the year then ended in conformity with accounting principles generally accepted in the United States.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Elizabeth Tractenberg, CPA
Los Angeles, California
February 12, 2012

Select Capital Corporation
Statement of Financial Condition
December 31, 2011

Assets

Cash	\$ 107,156
Commissions receivable	<u>79,178</u>
 Total Assets	 <u>\$ 186,334</u>

Liabilities and Shareholders' Equity

Liabilities	
Accrued expenses	\$ 5,736
Commissions payable	<u>71,528</u>
 Total Liabilities	 <u>77,264</u>

Shareholders' Equity

Class B stock (\$0 par value, 500 shares authorized and issued; 300 shares outstanding)	\$ -	
Common stock (\$0 par value, 1,500 shares authorized and issued; 1,500 shares outstanding)	-	
Paid-in capital	1,641,180	
Retained earnings (deficit)	<u>(1,532,110)</u>	<u>109,070</u>
 Total Liabilities and Shareholders' Equity		 <u>\$ 186,334</u>

See Accompanying Notes to Financial Statements

Select Capital Corporation
Statement of Income (Loss)
For the Year Ended December 31, 2011

Revenues	
Commissions	\$ 216,515
MBD fees	223,985
Other income	<u>367,757</u>
Total Revenues	<u>808,257</u>
Direct Costs	
Commissions expense	248,416
Sponsor expenses	<u>592,714</u>
Total Direct Costs	<u>841,130</u>
Gross Profits (Loss)	(32,873)
Expenses	
Bad debt	27,000
Business license and fees	33,922
Office expense	8,914
Professional fees	138,377
Rent	27,206
Salaries, wages and related expenses	29,793
Telephone	9,601
All other	<u>3,293</u>
Total Expenses	<u>278,106</u>
Income (Loss) Before Tax	(310,979)
Provision for Income Taxes	<u>800</u>
Net Income (Loss)	<u>\$ (311,779)</u>

See Accompanying Notes to Financial Statements

Select Capital Corporation
Statement of Changes in Shareholders' Equity
For the Year Ended December 31, 2011

	Capital Stock				Contributed Capital	Retained Earnings (Deficit)	Total
	<u>Class B Stock</u>		<u>Common Stock</u>				
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2010	-	\$ -	1,500	\$ -	\$1,345,000	\$ (1,220,331)	\$ 124,669
Stocks issued	300	-			7,500		7,500
Capital Contribution					288,680		288,680
Net Income						<u>(311,779)</u>	<u>(311,779)</u>
Balance, December 31, 2011	<u>300</u>	<u>\$ -</u>	<u>1,500</u>	<u>\$ -</u>	<u>\$1,641,180</u>	<u>\$ (1,532,110)</u>	<u>\$ 109,070</u>

See Accompanying Notes to Financial Statements

Select Capital Corporation
Statement of Changes in Financial Condition
For the Year Ended December 31, 2011

Cash Flows from Operating Activities:	
Net income (loss)	\$ (311,779)
Changes in operating assets and liabilities:	
Other receivable	(79,178)
Accrued expenses	(3,200)
Commissions payable	<u>71,528</u>
Net cash provided from operating activities	(322,629)
Cash Flows for Investing Activities:	
	-
Cash Flows from Financing Activities:	
Capital contribution	<u>296,180</u>
Cash Flows from Financing Activities	<u>296,180</u>
Net increase in cash	(26,449)
Cash at beginning of year	<u>133,605</u>
Cash at end of year	<u>\$ 107,156</u>

SUPPLEMENTAL INFORMATION

Interest paid	\$ <u>-</u>
Income taxes paid	\$ <u>800</u>

See Accompanying Notes to Financial Statements

Select Capital Corporation
Notes to Financial Statements
December 31, 2011

NOTE 1 - NATURE OF BUSINESS

Select Capital Corporation (the “Company”) was incorporated in the State of California on November 17, 2007. The Company is registered with the Securities and Exchange Commission as a broker-dealer in securities and is a member of Financial Industry Regulatory Agency (“FINRA”) since October 2008.

The Company operates under the exemptive provisions of Securities and Exchange Commission (SEC) Rule 15c3-3 (k) (2) (i) Customer Protection Rule. The Company does not hold customer funds or safe keep customer securities. As a result, the Company is exempt from certain provisions and requirements of the Securities Exchange Commission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The preparation of financial statements in conformity with generally accepted accounting principles 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Revenue Recognition - The Company recognizes revenue upon rendering of services.

Income taxes - Income taxes are provided based on earnings reported for financial statement purposes. In accordance with FASB ASC 740, the asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax basis and financial reporting basis of assets and liabilities.

Select Capital Corporation
Notes to Financial Statements
December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements – The Financial Accounting Standards Board (“FASB”) implemented the FASB Accounting Standards Codification (Codification) effective July 1, 2009. The Codification has become the source of authoritative Generally Accepted Accounting Principles (“GAAP”) recognized by FASB to be applied to nongovernmental entities. On the effective date of the Codification, the Codification superseded all then existing accounting and reporting standards. All other non-grand-fathered accounting literature not included in the FASB Codification has become non-authoritative. References to GAAP included in the FASB Codification are noted as Accounting Standards Codification (“ASC”).

Following the effective date of the Codification, FASB will not release new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Contracts, but instead will issue Accounting Standards Updates. Updates will not be considered authoritative in their own right, but will serve only to update the Codification, provide background information about the guidance in the Codification, and provide the basis for the changes in the Codification.

For the year ending December 31, 2011, various accounting pronouncements or interpretations by the FASB were either newly issued or had effective implementation dates that would require their provisions to be related in the financial statement for the year then ended. The Company has reviewed the Statements of Financial Accounting Standards (“SFAS”)/ASC topics for the year to determine relevance to the Company’s operations.

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company’s financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

NOTE 3 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net Capital and aggregate indebtedness change day to day, but on December 31, 2011, the Company had net capital of \$101,420 which was \$96,269 in excess of its required net capital of \$5,000; and the Company’s ratio of aggregate indebtedness (\$77,264) to net capital was .76 to 1, which is less than the 15 to 1 maximum allowed.

Select Capital Corporation
Notes to Financial Statements
December 31, 2011

NOTE 4- INCOME TAXES

The Company's fiscal year ends December 31, 2011. The Company files its income tax return on the cash basis. For federal income tax purposes, there is a net operating loss (NOL) of approximately \$5,000 which expires in 2023 and can be used to offset future taxable income. The provision for income taxes for the year consists of the following:

Federal Current	\$ 0
State Current	<u>800</u>
	<u>\$ 800</u>

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company shares facilities with its parent company. Under an expense sharing agreement, the Company pays a certain portion of the office expenses. During the year ending December 31, 2011, these expenses totaled \$7,925.

In addition, during the year, the Company advanced \$27,000 to an affiliate company which then was written off as bad debt because the affiliate ceased doing business.

NOTE 6 – PENSION PLAN

The Company established a retirement plan effective January 1, 2010 covering substantially all of its employees over 21 years of age and with at least 1,000 hours of service per year.

The Profit Sharing Plan is qualified under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to contribute up to 100% of their compensation (not to exceed the current IRS limits). The Company currently makes no contribution to the Plan.

NOTE 7 – LITIGATION

In 2009, a previous employee had filed suit against the Company for discrimination. The Court issued an Order Dismissing the Case with Prejudice on January 18, 2012.

NOTE 8 – SUBSEQUENT EVENTS

Management has reviewed the results of operations for the period of time from its year end December 31, 2011 through February 12, 2012, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Select Capital Corporation
Schedule I – Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
December 31, 2011

Computation of Net Capital	
Total ownership equity from statement of financial condition	\$ 109,070
Non allowable assets:	
Commissions receivable – non-allowable portion	<u>(7,650)</u>
Net Capital	<u>\$ 101,420</u>
Computation of Net Capital Requirements	
Minimum net aggregate indebtedness -	
6-2/3% of net aggregate indebtedness	<u>\$ 5,151</u>
Minimum dollar net capital required	<u>\$ 5,000</u>
Net Capital required (greater of above amounts)	<u>\$ 5,151</u>
Excess Capital	<u>\$ 96,269</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 93,694</u>
Computation of Aggregate Indebtedness	
Total liabilities net of deferred income taxes payable and deferred income	<u>\$ 77,264</u>
Aggregate indebtedness to net capital	.76 to 1
The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):	
Net Capital Per Company's Computation	\$ 104,076
Variance	
Accrued taxes	(2,657)
Rounding	<u>1</u>
Net Capital Per Audited Report	<u>\$ 101,420</u>

See Accompanying Notes to Financial Statements

Select Capital Corporation
Schedule II – Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2011

A computation of reserve requirement is not applicable to Select Capital Corporation as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (i).

Select Capital Corporation
Schedule III – Information Relating to Possession or Control
Requirements under Rule 15c3-3
As of December 31, 2011

Information relating to possession or control requirements is not applicable to Select Capital Corporation as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (i).

Elizabeth Tractenberg, CPA

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elizabeth@tractenberg.net

PART II

**Report on Internal Control Required by SEC Rule 17a-5(g) (1) for a
Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

Board of Directors
Select Capital Corporation
San Juan Capistrano, California

In planning and performing my audit of the financial statements of Select 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, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I 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), I 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 I 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, I 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.

Board of Directors
Select Capital Corporation
San Juan Capistrano, California

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

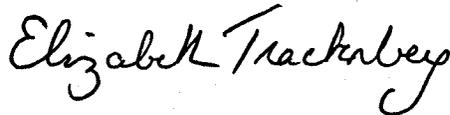
A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, 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.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined previously.

I 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 my study, I 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 FINRA, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Elizabeth Tractenberg, CPA
Los Angeles, California
February 12, 2012

Elizabeth Tractenberg, CPA
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PART III
SIPC Supplemental Report Pursuant to SEC Rule 17a-5(e) (4)

Board of Directors
Select Capital Corporation
San Juan Capistrano, California

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [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 Select Capital Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Select Capital Corporation's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7).

Select Capital Corporation's management is responsible for Select Capital Corporation'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, I 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 I performed and my findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries to the check copy dated July 12, 2011 (SIPC-6), and agreed the SIPC-7 fee to the December 31, 2011 accrued expenses, noting no differences.
2. Compared the amounts reported on the audited 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 no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers as noted in section 2 above noting no differences.
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

Board of Directors
Select Capital Corporation
San Juan Capistrano, California

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.

A handwritten signature in black ink that reads "Elizabeth Tractenberg". The signature is written in a cursive style with a large, looping 'E' and a long, sweeping tail on the 'g'.

Elizabeth Tractenberg, CPA
Los Angeles, California
February 12, 2012