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

**ANNUAL AUDITED REPORT  
FORM X-17A-5.. Public only!  
PART III**

OMB APPROVAL  
OMB Number: 3235-0123  
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**Washington DC**  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

FACING PAGE

REPORT FOR THE PERIOD BEGINNING April 1, 2011 AND ENDING March 31, 2012  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **OC Securities, Inc.**

OFFICIAL USE ONLY  
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**34700 Pacific Coast Highway #307**

(No. and Street)

**Capistrano Beach**

**California**

**92624**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Kenneth Scordo** (949) 887-7226

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Breard & Associates, Inc. Certified Public Accountants**

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

**9221 Corbin Avenue, Suite 170**

**Northridge**

**California**

**91324**

(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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Handwritten initials/signature

OATH OR AFFIRMATION

I, Kenneth Scordo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OC Securities, Inc., as

of March 31, 20 12, 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:

State of CALIFORNIA  
County of ORANGE  
Subscribed and sworn to (or affirmed) before me on this 3 day of MAY, 2012 by KENNETH SCORDO proved to me on the basis of satisfactory evidences to be the person who appeared before me

[Signature]  
Signature

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).



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditor's Report

Board of Directors  
OC Securities, Inc.:

We have audited the accompanying statement of financial condition of OC Securities, Inc. (the Company) as of March 31, 2012, and the related statements of operations, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, 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 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 OC Securities, Inc. as of March 31, 2012, 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 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
May 29, 2012

**OC Securities, Inc.**  
**Statement of Financial Condition**  
**March 31, 2012**

**Assets**

Cash	\$ 129,407
Deposit with clearing organization	150,021
Receivable from clearing organization	155,632
Property and equipment, net	510
Prepaid expenses and other	4,919
<b>Total assets</b>	<b><u>\$ 440,489</u></b>

**Liabilities and Stockholders' Equity**

**Liabilities**

Accounts payable and accrued expenses	\$ 8,851
Commissions payable	92,406
Payroll taxes payable	25,686
Income taxes payable	800
Payable to clearing organization	18,016
<b>Total liabilities</b>	<b><u>145,759</u></b>

Commitments and contingencies

**Stockholders' equity**

Common stock, no par value, 50,000,000 shares authorized, 38,022,012 shares issued and outstanding	668,500
Additional paid-in capital	194,000
Accumulated deficit	(503,770)
Treasury stock	(64,000)
<b>Total stockholders' equity</b>	<b><u>294,730</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 440,489</u></b>

*The accompanying notes are an integral part of these financial statements.*

**OC Securities, Inc.**  
**Statement of Operations**  
**For the Year Ended March 31, 2012**

**Revenues**

Commissions	\$ 1,566,547
Other income	52,992
Interest and dividends	4,323
Net investment gains (losses)	<u>(9,950)</u>
<b>Total revenues</b>	<b>1,613,912</b>

**Expenses**

Employee compensation and benefits	722,130
Commissions, trading and exchange fees	947,702
Occupancy and equipment rental	24,240
Interest expense	827
Professional fees	18,000
Other operating expenses	<u>245,103</u>
<b>Total expenses</b>	<b><u>1,958,002</u></b>
<b>Net income (loss) before income tax provision</b>	<b>(344,090)</b>

<b>Income tax provision</b>	<u>800</u>
<b>Net income (loss)</b>	<b><u>\$ (344,890)</u></b>

*The accompanying notes are an integral part of these financial statements.*

**OC Securities, Inc.**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended March 31, 2012**

	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Accumulated Deficit</b>	<b>Treasury Stock</b>	<b>Total</b>
<b>Balance at March 31, 2011</b>	\$ 318,500	\$ 194,000	\$ (158,880)	\$ (7,000)	\$ 346,620
Issuance of common stock	350,000	-	-	-	350,000
Purchase of treasury stock	-	-	-	(57,000)	(57,000)
Net income (loss)	-	-	(344,890)	-	(344,890)
<b>Balance at March 31, 2012</b>	<u>\$ 668,500</u>	<u>\$ 194,000</u>	<u>\$ (503,770)</u>	<u>\$ (64,000)</u>	<u>\$ 294,730</u>

*The accompanying notes are an integral part of these financial statements.*

**OC Securities, Inc.**  
**Statement of Changes in Liabilities Subordinated**  
**to the Claims of General Creditors**  
**For the Year Ended March 31, 2012**

	<u>Amount</u>
<b>Balance at March 31, 2011</b>	\$ -
Increase:	-
Decrease:	<u>-</u>
<b>Balance at March 31, 2012</b>	<u>\$ -</u>

*The accompanying notes are an integral part of these financial statements.*

**OC Securities, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2012**

<b>Cash flow from operating activities:</b>		
Net income (loss)		\$ (344,890)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	\$ 5,510	
(Increase) decrease in assets:		
Deposit with clearing organization	(99,536)	
Receivable from clearing organization	(129,505)	
Officer loan receivable	207,304	
Prepaid expenses and other	(2,678)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	8,331	
Commissions payable	92,406	
Payroll taxes payable	25,686	
Income taxes payable	(8,332)	
Payable to clearing organization	<u>9,705</u>	
Total adjustments		<u>108,891</u>
<b>Net cash provided by (used in) operating activities</b>		<b>(235,999)</b>
<b>Cash flow from investing activities:</b>		
Purchase of property and equipment	<u>(4,819)</u>	
<b>Net cash provided by (used in) investing activities</b>		<b>(4,819)</b>
<b>Cash flow from financing activities:</b>		
Sale of common stock	350,000	
Purchase of common stock for treasury	<u>(57,000)</u>	
<b>Net cash provided by (used in) financing activities</b>		<b><u>293,000</u></b>
<b>Net increase (decrease) in cash</b>		<b>52,182</b>
<b>Cash at beginning of year</b>		<b><u>77,225</u></b>
<b>Cash at end of year</b>		<b><u>\$ 129,407</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ 827	
Income taxes	\$ 9,932	

*The accompanying notes are an integral part of these financial statements.*



**OC Securities, Inc.**  
**Notes to Financial Statements**  
**March 31, 2012**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

OC Securities, Inc. (the "Company") was incorporated in the State of California on September 28, 2004. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer, that provides several classes of services, including the sale of corporate debt securities, corporate equity securities over-the-counter, U.S. government securities, mutual funds, and municipal securities. The Company can also serve as a non-exchange member arranging for transactions in listed securities by exchange members, a put and call dealer, and can sell private placements in securities. The Company does not hold customer funds or securities and conducts business on a fully disclosed basis.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

For the year ended March 31, 2012, one broker accounts for about 70% of the Company's total revenue.

*Summary of Significant Accounting Policies*

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

Advertising costs are expensed as incurred. For the year ended March 31, 2012, the Company charged \$9,645 to other operating expenses for advertising costs.

**OC Securities, Inc.**  
**Notes to Financial Statements**  
**March 31, 2012**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

Receivable from clearing organizations represent commissions earned on securities transactions. These receivables are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Securities transactions are recorded on a settlement date basis with related commission income and expenses also recorded on a settlement date basis. Accounting Principles Generally Accepted in the United States of America (US GAAP) requires securities transactions to be recorded on a trade date basis. There is no material difference between trade date and settlement date accounting.

Property and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

The Company accounts for its income taxes in accordance with FASB ASC 740, Income Taxes. This standard requires the establishment of a deferred tax asset or liability to recognize the future tax effects of transactions that have not been recognized for tax purposes, including taxable and deductible temporary differences, as well as net operating loss and tax credit carryforwards. Deferred tax expenses or benefits are recognized as a result of the changes in the assets and liabilities during the year.

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through May 29, 2012, which is the date the financial statements were available to be issued. Based upon this review, it was determined that the Company redeemed 137,000 shares of common stock from one of its shareholders, subsequent to year end.

**OC Securities, Inc.**  
**Notes to Financial Statements**  
**March 31, 2012**

**Note 2: DEPOSIT WITH CLEARING ORGANIZATION**

The Company has brokerage agreements with both Penson Financial Services, Inc. ("Penson") and LEK Securities Corporation ("LSC") to carry its account and the accounts of its clients as customers of Penson and LSC. Penson and LSC have custody of the Company's cash balances which serve as collateral for any amounts due to Penson and LSC as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balances at March 31, 2012 held at Penson and LSC were \$50,490 and \$99,531 respectively.

**Note 3: PROPERTY AND EQUIPMENT, NET**

Property and equipment are recorded net of accumulated depreciation and summarized by major classification as follows:

		Useful Life
Computer equipment	\$ 15,075	5
Furniture and fixtures	<u>8,257</u>	7
Total cost of property and equipment	23,332	
Less: accumulated depreciation	<u>(22,822)</u>	
Property and equipment, net	<u>\$ 510</u>	

Depreciation expense for the year ended March 31, 2012 was \$5,510.

**Note 4: INCOME TAXES**

	Current
Federal	\$ 800
State	<u>-</u>
Total income tax expense (benefit)	<u>\$ 800</u>

**Note 5: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**OC Securities, Inc.**  
**Notes to Financial Statements**  
**March 31, 2012**

**Note 6: COMMITMENTS AND CONTINGENCIES**

*Commitments*

In February 2012, the Company executed a 2-year operating lease agreement for office space at a new location. This lease was to commence on April 1, 2012 and will expire on March 31, 2014. After the first year of the lease, the base rent amount will increase at a rate of 3% yearly.

**Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS**

In June of 2009, the Financial Accounting Standards Board (the "FASB") implemented a major restructuring of U.S. accounting and reporting standards. This restructuring established the Accounting Standards Codification ("Codification" or "ASC") as the source of authoritative accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs")

For the year ending March 31, 2012, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following ASU releases to determine relevance to the Company's operations:

<u>ASU No.</u>	<u>Title</u>	<u>Effective Date</u>
2010-29	Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations (December 2010).	After December 15, 2010
2011-04	Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IRFSs (May 2011).	After December 15, 2011
2011-05	Comprehensive Income (Topic 220): Presentation of Comprehensive Income (June 2011).	After December 15, 2011

**OC Securities, Inc.**  
**Notes to Financial Statements**  
**March 31, 2012**

**Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS**  
**(Continued)**

2011-08 Intangibles - Goodwill and Other (Topic 350): After December 15, 2011  
Testing Goodwill for Impairment (September 2011).

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 8: 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 March 31, 2012, the Company had net capital of \$288,275 which was \$278,558 in excess of its required net capital of \$9,717; and the Company's ratio of aggregate indebtedness (\$145,759) to net capital was 0.51 to 1, which is less than the 15 to 1 maximum allowed.

**Note 9: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS**

There is a difference of \$1,024 between the computation of net capital under net capital SEC Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule	\$	289,299
Adjustments:		
Accumulated deficit	\$	(238,215)
Non-allowable assets		238,217
Haircuts & undue concentration	\$	<u>(1,026)</u>
Total adjustments		<u>(1,024)</u>
Net capital per audited statements	\$	<u>288,275</u>

**OC Securities, Inc.**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of March 31, 2012**

**Computation of net capital**

Common stock	\$ 668,500	
Additional paid-in capital	194,000	
Accumulated deficit	(503,770)	
Treasury stock	<u>(64,000)</u>	
<b>Total stockholders' equity</b>		<b>\$ 294,730</b>
Less: Non-allowable assets		
Property and equipment, net	(510)	
Prepaid expenses and other	<u>(4,919)</u>	
<b>Total non-allowable assets</b>		<b><u>(5,429)</u></b>
<b>Net capital before haircuts</b>		<b>289,301</b>
Less: Haircuts on securities		
Haircut on money markets	<u>(1,026)</u>	
<b>Total haircuts on securities</b>		<b><u>(1,026)</u></b>
<b>Net Capital</b>		<b>288,275</b>
<b>Computation of net capital requirements</b>		
Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 9,717	
Minimum dollar net capital required	<u>\$ 5,000</u>	
Net capital required (greater of above)		<u>(9,717)</u>
<b>Excess net capital</b>		<b><u>\$ 278,558</u></b>
Ratio of aggregate indebtedness to net capital	0.51 : 1	

There was a difference of \$1,024 between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated March 31, 2012 (See Note 9).

*See independent auditor's report*

**OC Securities, Inc.**  
**Schedule II - Computation for Determining of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of March 31, 2012**

A computation of reserve requirements is not applicable to OC Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

*See independent auditor's report*

**OC Securities, Inc.**  
**Schedule III - Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of March 31, 2012**

Information relating to possession or control requirements is not applicable to OC Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

*See independent auditor's report*



**OC Securities, Inc.**  
**Supplementary Accountant's Report**  
**on Internal Accounting Control**  
**Report Pursuant to 17a-5**  
**For the Year Ended March 31, 2012**



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
OC Securities, Inc.:

In planning and performing our audit of the financial statements of OC Securities, Inc. (the Company), as of and for the year ended March 31, 2012, 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 the quarterly securities examinations, counts, verifications and comparisons, and the 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, 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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 above.

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 March 31, 2012, to meet the SEC's objectives.

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



Breard & Associates, Inc.

Certified Public Accountants

Northridge, California

May 29, 2012

**OC Securities, Inc.**

**Report on the SIPC Annual Assessment**

**Pursuant to rule 17a-5 (e) 4**

**For the Year Ended March 31, 2012**



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
OC Securities, Inc.

Pursuant to Rule 17a-5 (e) (4) of the Securities Exchange Act of 1934, we have performed the following procedures with respect to the accompanying schedule (Form SIPC-7) of Securities Investor Protection Corporation assessments and payments of OC Securities, Inc. ("the Company") for the year ended March 31, 2012. Our procedures were performed solely to assist the Company in complying with Rule 17a-5 (e) (4), and our report is not to be used for any other purpose. The procedures we performed are as follows:

1. Compared listed assessment payments with respective cash disbursements records entries;
2. Compared amounts reported on the unaudited Form X-17A-5 for the year ended March 31, 2012, with the amounts reported in General Assessment Reconciliation (Form SIPC-7);
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers;
4. Proved the arithmetical accuracy of the calculations in the Form SIPC-7 and in the related schedules and working papers supporting adjustments; and
5. Compared the amount of any overpayment applied with the Form SIPC-7 on which it was computed.

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above.

In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on the Form SIPC-7 were not determined in accordance with applicable instructions and forms. This report relates only to schedules referred to above and does not extend to any financial statements of OC Securities, Inc. taken as a whole.

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
May 29, 2012

**OC Securities, Inc.**  
**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended March 31, 2012**

	<u>Amount</u>
Total assessment	\$ 3,971
SIPC-6 general assessment Payment made on October 28, 2011	<u>(670)</u>
Total assessment balance (overpayment carried forward)	<u>\$ 3,301</u>

**SEC  
Mail Processing  
Section**

**MAY 30 2012**

**Washington DC  
403**

**OC Securities, Inc.  
Report Pursuant to Rule 17a-5 (d)  
Financial Statements  
For the Year Ended March 31, 2012**