

SEC  
Mail Processing  
Section

SECURITIES

V



12062247

ON

OMB APPROVAL
OMB Number: 3235-0123
Expires: April 30, 2013
Estimated average burden hours per response . . . 12.00

Club 8/24

AUG 23 2011

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER
8 - 29827

Washington DC  
400

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 7/01/11 AND ENDING 6/30/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
Worth Financial Group Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

16660 Dallas Parkway, Suite 1600

(No. and Street)

Dallas  
(City)

Texas  
(State)

75248  
(Zip Code)

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

Jim Clark

469-916-4287

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Phillip V. George, PLLC

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

1842 FM 1566 W.  
(Address)

Celeste  
(City)

Texas  
(State)

75423  
(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).

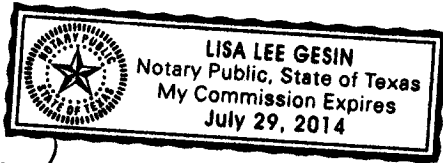
Club 8/24

OATH OR AFFIRMATION

I, Jim W. Clark, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Worth Financial Group Inc., as of June 30, 2012, 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

Lisa Lee Gesin  
Notary Public



Jim W. Clark  
Signature  
President  
Title

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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).

**WORTH FINANCIAL GROUP INC.**

**FINANCIAL REPORT**

**JUNE 30, 2012**

## CONTENTS

---

INDEPENDENT AUDITOR'S REPORT	1
------------------------------	---

---

FINANCIAL STATEMENTS	
Statement of financial condition	2
Statement of income	3
Statement of changes in stockholders' equity	4
Statement of cash flows	5
Notes to financial statements	6 - 10

---

SUPPLEMENTARY SCHEDULE	
I. Supplementary information pursuant to Rule 17a-5	11

---

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL	12 - 13
---	---------

---

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION	14 - 15
SIPC-7	16 - 17

---

PHILLIP V. GEORGE, PLLC  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

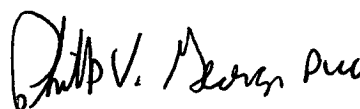
Board of Directors  
Worth Financial Group Inc.

We have audited the accompanying statement of financial condition of Worth Financial Group Inc. (the Company) as of June 30, 2012, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Worth Financial Group Inc. as of June 30, 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 financial statements 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



PHILLIP V. GEORGE, PLLC

Celeste, Texas  
August 13, 2012

**WORTH FINANCIAL GROUP INC.**  
**Statement of Financial Condition**  
**June 30, 2012**

**ASSETS**

Cash and cash equivalents	\$ 8
Investment advisory fees receivable	78,320
Commissions receivable	34,804
Clearing deposits	21,001
Advances to brokers	1,301
Property and equipment, net	11,066
Security deposit	<u>1,237</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 147,737</u></u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities**

Bank overdraft	\$ 690
Accounts payable and accrued expenses	4,364
Commissions payable	<u>71,629</u>
<b>Total Liabilities</b>	<b><u>76,683</u></b>

**Stockholders' Equity**

Preferred stock, \$100 par value, 500,000 shares authorized, no shares issued and outstanding	-
Common stock, \$.01 par value, 9,500,000 shares authorized, 300,000 shares issued and outstanding	3,000
Additional paid-in capital	32,500
Retained earnings	<u>35,554</u>

<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>71,054</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u><u>\$ 147,737</u></u></b>

**WORTH FINANCIAL GROUP INC.**  
**Statement of Income**  
**Year Ended June 30, 2012**

**Revenue**

Investment advisory fees	\$ 1,159,579
Securities commissions	613,191
Life settlement income	87,559
Insurance commissions	209,570
Investment company share commissions	140,334
Other revenue	<u>10,439</u>
 TOTAL REVENUE	 <u>2,220,672</u>

**Expenses**

Compensation and related costs	1,602,577
Clearing charges	268,371
Service fees	168,090
Communications	29,556
Regulatory fees	7,406
Occupancy and equipment	52,590
Promotion	54,135
Professional fees	18,158
Other expenses	<u>23,415</u>
 TOTAL EXPENSES	 <u>2,224,298</u>
 NET LOSS	 <u><u>\$ (3,626)</u></u>

**WORTH FINANCIAL GROUP INC.**  
**Statement of Changes in Stockholders' Equity**  
**Year Ended June 30, 2012**

	<u>Common Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances at June 30, 2011	300,000	\$ 3,000	\$ 32,500	\$ 39,180	\$ 74,680
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,626)</u>	<u>(3,626)</u>
Balances at June 30, 2012	<u>300,000</u>	<u>\$ 3,000</u>	<u>\$ 32,500</u>	<u>\$ 35,554</u>	<u>\$ 71,054</u>



**WORTH FINANCIAL GROUP INC.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2012**

**Cash flows from operating activities:**

Net loss	\$ (3,626)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	4,021
Changes in assets and liabilities	
Increase in investment advisory fees receivable	(17,951)
Decrease in commissions receivable	3,908
Decrease in clearing deposits	228
Increase in advances to brokers	(1,008)
Increase in bank overdraft	690
Increase in accounts payable and accrued expenses	1,906
Increase in commissions payable	<u>9,685</u>
Net cash used in operating activities	<u>(2,147)</u>

**Cash flows from investing activities:**

Purchase of property and equipment	<u>(1,801)</u>
Net change in cash and cash equivalents	(3,948)
Cash and cash equivalents at beginning of year	<u>3,956</u>
Cash and cash equivalents at end of year	<u><u>\$ 8</u></u>

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the year for:

Interest	<u><u>\$ -</u></u>
Income taxes - federal	<u><u>\$ -</u></u>
Income taxes - state	<u><u>\$ -</u></u>

**WORTH FINANCIAL GROUP INC.**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies**

Nature of Business:

Worth Financial Group Inc. (the Company) was organized in March 1983 as a Texas corporation. The Company is a broker/dealer in securities registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is also a registered investment advisor with the state of Texas. The majority of the Company's customers are individuals located in the state of Texas.

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, and accordingly, is exempt from the remaining provisions of that Rule. The Company does not hold customer funds or securities, but as an introducing broker or dealer, will clear all transactions on behalf of customers on a fully disclosed basis through a clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer. Under these exemptive provisions, the Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements are not required.

Significant Accounting Policies:

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the 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.

Fair Value of Financial Instruments

The Company's financial asset and liability amounts reported in the statement of financial condition are short-term in nature and approximate fair value.

Cash Equivalents

Money market funds are reflected as cash equivalents in the accompanying statement of financial condition and for purposes of the statement of cash flows.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over estimated useful lives of five to seven years.

**WORTH FINANCIAL GROUP INC.**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)**

Revenue Recognition

Investment advisory fees are earned based on contractual percentages of client assets under management. The fees are billed monthly in arrears.

General securities commissions and related clearing expenses are recorded on a trade date basis.

The Company recognizes revenue on the sale of life settlement contracts when customer fractional investments to such offerings are, or are expected to be, fully funded and recorded by the life settlement provider.

Insurance commissions are recorded when the policies are funded by the customer.

Investment company share commissions are recorded when initial subscriptions are funded or when recurring commissions are payable to the Company.

Income Taxes

As of June 30, 2012, open Federal tax years subject to examination include the tax years ended June 30, 2009 through June 30, 2011

The Company is also subject to state income taxes.

Advertising Costs

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

**Note 2 - Transactions with Clearing Broker/Dealers**

The agreements with the clearing broker/dealers provide for clearing charges at a fixed rate multiplied by the number of tickets traded by the Company. The agreements also require the Company to maintain a minimum of \$19,000 as deposits in accounts with the clearing broker/dealers.

**WORTH FINANCIAL GROUP INC.**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 3 - Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum amount of 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. At June 30, 2012, the Company had net capital and net capital requirements of \$37,812 and \$5,112, respectively. The Company's net capital ratio was 2.03 to 1.

**Note 4 - Property and Equipment**

Property and equipment is carried at cost less accumulated depreciation and consists of the following:

Furniture and fixtures	\$ 11,986
Computer equipment	14,162
Software	<u>1,476</u>
	27,624
Accumulated depreciation	<u>(16,558)</u>
	<u>\$ 11,066</u>

Depreciation expense for the year was \$4,021 and is reflected in the accompanying statement of income as occupancy and equipment costs.

**Note 5 - Income Taxes**

The Company has current year taxable income which differs from the net book loss due to permanent non-deductible differences and accelerated depreciation used for income tax purposes. The current year taxable income is fully offset by prior years net operating loss carryforward; therefore, there is no provision for current income taxes. The Company has a net operating loss carry forward of approximately \$1,300 available to offset future taxable income, which begins expiring in 2031. The accelerated depreciation used for tax purposes net of the net operating loss carryforward, creates a deferred tax liability which is not recognized in the accompanying statement of financial condition as this amount is not material.

**WORTH FINANCIAL GROUP INC.**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 6 - Commitments and Contingencies**

Office Lease

The Company leases office space under a noncancelable operating lease through July 2013. Future minimum lease payments due for each of the years ending June 30 are as follows:

2013	\$ 14,839
2014	1,237
Thereafter	<u>-</u>
	<u>\$ 16,076</u>

The terms of the lease require the Company to provide liability insurance and cover certain general operating expenses with provision for escalation. Office rent expense for the year was \$14,839 and is reflected in the accompanying statement of income as occupancy and equipment costs.

Contingencies

The nature of the Company's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Company could have an adverse impact on the financial condition, results of operations, or cash flows of the Company.

**Note 7 - Concentration of Credit Risk and Revenue**

The Company has a total of \$44,382 or approximately 30% of its total assets, in amounts held at or due from one of its clearing broker/dealers, and a total of \$78,320 or approximately 53% of its total assets in amounts due from a third party administrator.

One of the Company's registered representatives generated approximately 49% of the Company's revenue for the year ended June 30, 2012.

**Note 8 - Related Party Transactions**

The Company entered into a consulting agreement (Agreement) effective January 1, 2007 and amended January 1, 2012 with the president and majority shareholder (Shareholder). The Agreement requires the Shareholder to advise the Company on corporate matters and day-to-day operations for a term of five years expiring December 31, 2016. Fees payable under this Agreement include: 1) consulting fees not to exceed \$150,000 per year, plus 2) commissions and overrides generated by the Shareholder. Fees are invoiced monthly and totaled \$39,103 for the year ended June 30, 2012, and are reflected in the accompanying statement of income as compensation and related costs. The Agreement was not consummated on terms equivalent to arms length transactions.

**WORTH FINANCIAL GROUP INC.**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 8 - Related Party Transactions (continued)**

The Company entered into a services agreement (Services Agreement 1) effective January 1, 2011 with a related party energy consultant (Energy Consultant). The Services Agreement 1 requires the Energy Consultant to provide the Company with research on energy related stocks and ETF's and consulting services on the oil and gas industry. Services Agreement 1 was terminated in February 2012. Fees payable under Services Agreement 1 are invoiced monthly and totaled \$6,667 for the year ended June 30, 2012.

**Note 9 - Services Agreement**

The Company entered into a services agreement (Services Agreement 2) effective July 1, 2007 with an unrelated investment advisor (Advisor). The Services Agreement 2 requires the Advisor to provide the Company with research, portfolio reporting and advisory services. The initial term of the Services Agreement 2 was for one year and automatically renews unless notified in writing by either party at least thirty days prior to the renewal date. Fees payable under Services Agreement 2 are invoiced monthly and totaled \$170,740 for the year ended June 30, 2012.

**Note 10 - Off-Balance-Sheet Risk**

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealers. The clearing broker/dealers carry all of the accounts of the customers of the Company and are responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealers may charge any losses they incur to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealers.

**Note 11 - Subsequent Events**

Management has evaluated the Company's events and transactions that occurred subsequent to June 30, 2012, through August 13, 2012, the date which the financial statements were available to be issued.

There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Company's financial statements.

**Schedule I**

**WORTH FINANCIAL GROUP INC.  
Supplementary Information  
Pursuant to Rule 17a-5  
June 30, 2012**

Total stockholders' equity qualified for net capital	<u>\$ 71,054</u>
Deductions and/or charges	
Non-allowable assets:	
Investment advisory fees receivable	18,340
Commissions receivable	998
Advance to brokers	1,301
Property and equipment, net	11,066
Security deposit	<u>1,237</u>
Total deductions and/or charges	<u>32,942</u>
Net capital before haircuts on securities positions	38,112
Haircuts on securities:	
Cash equivalents	<u>300</u>
Net Capital	<u>\$ 37,812</u>
Aggregate indebtedness	
Bank overdraft	\$ 690
Accounts payable and accrued expenses	4,364
Commissions payable	<u>71,629</u>
Total aggregate indebtedness	<u>\$ 76,683</u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u>5,112</u>
Net capital in excess of minimum requirement	<u>\$ 32,700</u>
Ratio of aggregate indebtedness to net capital	<u>2.03 to 1</u>
<b>Reconciliation of Computation of Net Capital</b>	
Net capital as reported by Registrant in Original Filing of Part IIA of Form X-17a-5 as of June 30, 2012 (unaudited)	\$ 37,812
Adjustments made by Registrant prior to filing Amended Form X-17a-5:	
Decrease in depreciation expense/accumulated depreciation	2,231
Increase in property and equipment, net classified as non-allowable	<u>(2,231)</u>
Net capital as computed above	<u>\$ 37,812</u>

**Statement of Changes in Liabilities Subordinated to Claims of General Creditors**

No statement is required as no subordinated liabilities existed at any time during the year.

**Statement Regarding Reserve Requirements and Possession or Control Requirements**

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, in which all customer transactions are cleared on a fully disclosed basis through a clearing broker/dealer. Under these exemptive provisions, the Computation of Determination of the Reserve Requirements and Information Relating to the Possession or Control Requirements are not required.

**PHILLIP V. GEORGE, PLLC**  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY  
SEC RULE 17a-5(g)(1)**

Board of Directors  
Worth Financial Group Inc.

In planning and performing our audit of the financial statements of Worth Financial Group Inc. (the Company), as of and for the year ended June 30, 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 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.



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.

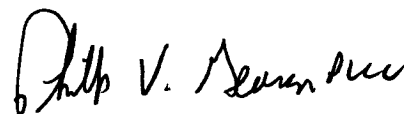
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a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

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 June 30, 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, Inc., 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.



PHILLIP V. GEORGE, PLLC

Celeste, Texas  
August 13, 2012

**PHILLIP V. GEORGE, PLLC**  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT  
RECONCILIATION**

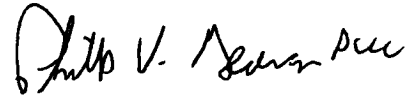
Board of Directors  
Worth Financial Group Inc.

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 Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2012, which were agreed to by Worth Financial Group Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Worth Financial Group Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Worth Financial Group Inc.'s management is responsible for the Worth Financial Group Inc.'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 record entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended June 30, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended June 30, 2012 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

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.

A handwritten signature in black ink that reads "Phillip V. George, PLLC". The signature is written in a cursive, flowing style.

PHILLIP V. GEORGE, PLLC

Celeste, Texas  
August 13, 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 June 30, 20 12  
(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:

029827 FINRA JUN  
WORTH FINANCIAL GROUP INC  
16660 DALLAS PKWY STE 1600  
DALLAS TX 75248-6808

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.

James W. Clark

WORKING COPY

2. A. General Assessment (item 2e from page 2)	\$ 717.32
B. Less payment made with SIPC-6 filed (exclude interest)	( 236.45 )
<u>07/27/2012</u> Date Paid	
C. Less prior overpayment applied	( 955.87 )
D. Assessment balance due or (overpayment)	475.00
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)	\$ (475.00)
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$ 0
H. Overpayment carried forward	\$( 475.00 )

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.

Worth Financial Group Inc.

(Name of Corporation, Partnership or other organization)

*James W. Clark*  
(Authorized Signature)

President

(Title)

Dated the 8th day of August, 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 July 1, 2011  
and ending June 30, 2012  
Eliminate cents

**Item No.**

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

\$ 2,217,204

**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.

1,509,483

(2) Revenues from commodity transactions.

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

266,596

(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).

59,667

(8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

94,529

(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

1,930,275

2d. SIPC Net Operating Revenues

\$ 286,929

2e. General Assessment @ .0025

\$ 717.32

(to page 1, line 2.A.)