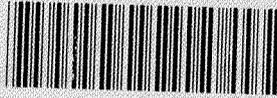


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
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8- 38520

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 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: FIRST COMMONWEALTH SECURITIES CORPORATION

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1650 JONESBORO ROAD

(No. and Street)

ATLANTA

GA

30315

(City)

(State)

(Zip Code)

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

NORBERT SIMMONS

(404) 942-7997

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

BRACE & ASSOCIATES, PLLC

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

PMB 335, 123 NASHUA RD, UNIT 17

LONDONDERRY

NH

03053

(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)

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OATH OR AFFIRMATION

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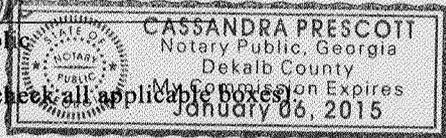
I, NORBERT SIMMONS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FIRST COMMONWEALTH SECURITIES CORPORATION, as of DECEMBER 31, 20 13, are true and correct. I further swear (or affirm) that neither 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:

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

Norbert Simmons  
Signature

PRESIDENT  
Title

Cassandra Prescott  
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).

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL: (603) 889-4243

FAX: (603) 882-7371

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders  
of First Commonwealth Securities Corp

### **Report on the Financial Statements**

We have audited the accompanying financial statements of First Commonwealth Securities Corp (a Louisiana corporation), which comprise the statement of financial condition as of December 31, 2013, and the related statements of income, changes in shareholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Commonwealth Securities Corp as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements 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 financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. 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 in Schedules I, II and III 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 in Schedules I, II and III is fairly stated in all material respects in relation to the financial statements as a whole.

*Brace & Associates, PLLC*

Brace & Associates, PLLC

Londonderry, NH

March 10, 2014

**BRACE & ASSOCIATES, PLLC**

*Certified Public Accountant*

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2013**

**ASSETS**

Cash	\$ 25,313
Receivable from shareholder	69,847
Securities owned:	
Marketable, at market value	11,940
Equipment, at cost, less accumulated depreciation of \$854	<u>-</u>
 Total Assets	 <u>\$ 107,100</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**LIABILITIES:**

Accounts payable, accrued expenses, and other liabilities	<u>\$ 8,454</u>
 Total liabilities	 <u>8,454</u>

**SHAREHOLDERS' EQUITY:**

Common stock, no par value, 1000 shares authorized, 160 issued and outstanding	46,850
Additional paid in capital	163,766
Retained earnings (deficit)	<u>(111,970)</u>
 Total shareholders' equity	 <u>98,646</u>
 Total liabilities and shareholders' equity	 <u>\$ 107,100</u>

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

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**STATEMENT OF INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

Revenues:	
Commissions	\$ -
Net investment gains (losses)	4,404
Interest and dividends	<u>64</u>
Total revenue	<u>\$ 4,468</u>
Expenses:	
Commissions and clearing fees	\$ -
Communications and occupancy	6,000
Other operating expenses	<u>1,500</u>
Total expenses	<u>\$ 7,500</u>
Net income (loss) before taxes	<u>\$ (3,032)</u>
Income taxes	<u>-</u>
Net income (loss)	<u><u>\$ (3,032)</u></u>

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

**FIRST COMMONWEALTH SECURITIES CORPORATION**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Accumulated (Deficit)</u>	<u>Total</u>
Balance at beginning of the year	\$ 46,850	\$ 157,316	\$ (108,938)	\$ 95,228
Capital contributions		6,450		6,450
Net income (loss)	_____	_____	<u>(3,032)</u>	<u>(3,032)</u>
Balance at end of the year	<u>\$ 46,850</u>	<u>\$ 163,766</u>	<u>\$ (111,970)</u>	<u>\$ 98,646</u>

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

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

Cash flows from operating activities:	
Net income (loss)	\$ (3,032)
Adjustments to reconcile net income to net cash provided by operating activities:	
Unrealized loss (gain)	(4,404)
Dividend on marketable securities	(39)
Increase in accounts payable, accrued expenses, and other liabilities	<u>1,050</u>
Total adjustments	<u>(3,393)</u>
Net cash used by operating activities	<u>(6,425)</u>
 Cash flows from investing activities:	
None	<u>-</u>
 Cash flows from financing activities	
Capital contributions	<u>6,450</u>
Net increase in cash	25
Cash at beginning of the year	<u>25,288</u>
Cash at end of the year	<u>\$ 25,313</u>
 Supplemental cash flow disclosures:	
Interest payments	<u>\$ -</u>
Income tax payments	<u>\$ -</u>

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Money market accounts are not considered to be cash equivalents

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

# FIRST COMMONWEALTH SECURITIES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

### NOTE 1- SIGNIFICANT ACCOUNTING POLICIES

#### **Organization**

The Company was organized as a Louisiana corporation on August 6, 1987, for the purpose of doing business as a broker-dealer in securities, and provider of financial services.

#### **Revenue and Expenses**

Commission revenue and related expenses are recognized on the accrual basis using the settlement date.

#### **Property and Equipment**

Property and equipment are recorded at cost. The cost of maintenance and repairs are charged to expense as incurred. Major improvements to property and equipment are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for 2013 was \$0.

#### **Marketable Securities**

Marketable securities are valued at market, cost is determined on the specific identification method; realized and unrealized gains and losses are reflected in revenue. Securities transactions of the Company are recorded on a trade date basis. At December 31, 2013 there was an unrealized gain of \$4,404.

#### **Use of Estimates**

The preparation 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 amount of assets and liabilities as of 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.

#### **Management's Review for Subsequent Events**

Management had evaluated subsequent events through March 5, 2014, the date which the financial statements were available to be issued.

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**DECEMBER 31, 2013**

**Allowance for Bad Debts**

The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**NOTE 2- INCOME TAXES**

Net income for the year ended December 31, 2013, as reported in the accompanying financial statements, is reconciled with ordinary income as reported on the Company's federal corporation income tax return as follows:

Net loss before taxes per financial statements	\$(3,032)
Add:	
Nondeductible expenses	0
Less:	
Non taxable income	<u>(4,608)</u>
Total federal taxable loss per tax return	<u>\$ (7,640)</u>

The Company has loss carry forwards of \$174,698 that may be offset against future taxable income. The net operating loss carry forwards expire as follows:

<u>Year ending December 31,</u>	
2022	\$ 2,740
2025	64,992
2026	24,793
2027	531
2028	25,468
2029	15,728
2030	11,769
2031	16,866
2032	11,811
2033	<u>7,640</u>
	<u>\$182,338</u>

The Company adopted the accounting pronouncement dealing with uncertain tax positions, as of January 1, 2010. Upon adoption of this accounting pronouncement, the Company had no unrecognized tax benefits. Furthermore, the Company had no unrecognized tax benefits as of December 31, 2013.

# FIRST COMMONWEALTH SECURITIES CORPORATION

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2013

### NOTE 3- NET CAPITAL

As a broker dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital, as computed under 15c3-1, was \$28,799 at December 31, 2013, which exceeded required net capital of \$5,000 by \$23,799. The Ratio of aggregate indebtedness to net capital at December 31, 2013, was 29.36%.

### NOTE 4- CONCENTRATION OF CREDIT RISK

The Company is engaged in various trading and brokerage activities with counterparties. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

### NOTE 5- RELATED PARTY TRANSACTIONS

The Company shares occupancy and office expenses with its sole shareholder. The company's share of occupancy and office expenses paid for 2013 was \$6,000. The Company's shareholder also paid for many of the company's expenses out of his personal accounts. These payments were considered capital contributions to the company. The total of the payments made by the officer during the year ended December 31, 2013 was \$7,500.

### NOTE 6- GOING CONCERN

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company incurred a net loss of \$3,032 for the year ended December 31, 2013. In each of the three prior years, the Company experienced net losses. These losses have reduced working capital and retained earnings to the extent that the Company may not be able to continue as a going concern. The shareholder has been providing working capital funds and management has reduced expenses as much as possible.

Management also has current plans to bring in revenue in the next year and the shareholder has agreed to contribute enough capital to keep the company going.

The ability of the Company to continue as a going concern is dependent upon the success of these actions and the ability of the shareholder to contribute capital. There can be no assurance that the Company will be successful in accomplishing its objectives. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**SUPPLEMENTARY SCHEDULES**

**DECEMBER 31, 2013**

**SCHEDULE I**

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL  
PURSUANT TO RULE 15c3-1**

**DECEMBER 31, 2013**

<b>AGGREGATE INDEBTEDNESS:</b>	
Accounts payable, accrued expenses, and other liabilities	\$ <u>8,454</u>
<b>TOTAL AGGREGATE INDEBTEDNESS</b>	<b>\$ <u>8,454</u></b>
<b>NET CAPITAL:</b>	
Common stock	\$ 46,850
Additional paid in capital	163,766
Retained earnings (deficit)	<u>(111,970)</u>
	98,646
<b>ADJUSTMENTS TO NET CAPITAL:</b>	
Receivable from shareholder	(69,847)
Furniture & equipment	-
Haircuts	<u>-</u>
Net capital, as defined	<b>\$ <u><u>28,799</u></u></b>
<b>MINIMUM NET CAPITAL REQUIREMENT</b>	<u>5,000</u>
<b>NET CAPITAL IN EXCESS OF REQUIREMENT</b>	<b>\$ <u>23,799</u></b>
<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<b><u>29.36%</u></b>

There were no material differences between the audited and unaudited computation of net capital.

## **SCHEDULE II**

### **FIRST COMMONWEALTH SECURITIES CORPORATION**

#### **INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3**

**DECEMBER 31, 2013**

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the time frames specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

**SCHEDULE III**

**FIRST COMMONWEALTH SECURITIES CORPORATION**

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS  
IN SEGREGATION FOR CUSTOMERS' REGULATED  
COMMODITY FUTURES AND OPTION ACCOUNTS**

**DECEMBER 31, 2013**

The Company claims exemption from the segregation requirements of the Commodities Futures Act since it has no commodity customers as the term is defined in Regulation 1.3(k).

# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL (603) 889-4243

FAX (603) 882-7371

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL UNDER SEC RULE 17A-5(g)(1)

To the Board of Directors of First Commonwealth Securities Corp

In planning and performing our audit of the financial statements of First Commonwealth Securities Corp as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered First Commonwealth Securities Corp's internal control over financial reporting (internal control) as a basis for designing our audit 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 First Commonwealth Securities Corp's internal control. Accordingly, we do not express an opinion on the effectiveness of First Commonwealth Securities Corp'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 First Commonwealth Securities Corp 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 First Commonwealth Securities Corp 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 First Commonwealth Securities Corp 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 First Commonwealth Securities Corp's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2013, to meet the SEC's objectives.

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

*Brace & Associates, PLLC*

Brace & Associates, PLLC

Londonderry, NH

March 10, 2014

**BRACE & ASSOCIATES, PLLC**

*Certified Public Accountant*