

8/28/14

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

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ANNUAL AUDITED REPORT
FORM X-17A-5 Mail Processing
PART III Section

AUG 28 2014

SEC FILE NUMBER
8-30099

FACING PAGE **Washington DC**
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 7/1/2013 AND ENDING 6/30/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

The Securities Center, Inc.

OFFICIAL USE ONLY
<u>13971</u>
FIRM I.D. NO.

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

245 "E" Street
(No. and Street)

Chula Vista, California 92910-2942

(City)

(State)

(Zip Code)

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

James E. Biddle, President

(619) 426-3550

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BOROS & FARRINGTON

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

11770 Bernardo Plaza Court, Suite 210, San Diego, CA 92128

(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

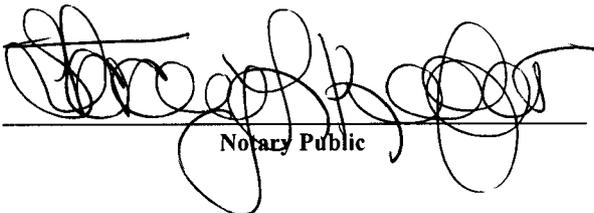
* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

8/28/14

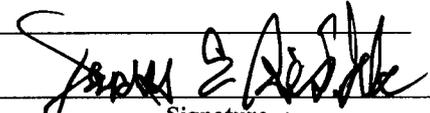
OATH OR AFFIRMATION

I, James E. Biddle, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Securities Center, Inc., as of June 30, 2014, 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



 Notary Public



 Signature

 PRESIDENT & CEO

 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 Stockholder's Equity of Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation of 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).

THE SECURITIES CENTER, INC.

**Financial Report
And
Report of Independent Registered
Public Accounting Firm
June 30, 2014**

Boros & Farrington
CERTIFIED PUBLIC ACCOUNTANTS

THE SECURITIES CENTER, INC.

**Financial Report
And
Report of Independent Registered
Public Accounting Firm**

June 30, 2014

THE SECURITIES CENTER, INC.

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Boros & Farrington

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

11770 Bernardo Plaza Court • Suite 210
San Diego, CA 92128-2424
(858) 487-8518 • Fax (858) 487-6794
borosfarrington@msn.com

Report of Independent Registered Public Accounting Firm

Board of Directors
The Securities Center, Inc.

We have audited the accompanying statement of financial condition of The Securities Center, Inc. (the "Company") as of June 30, 2014, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. 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 the standards of the Public Company Accounting Oversight Board (United States). 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 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 the Company as of June 30, 2014, 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.

The information contained in Schedules I, II, and III ("supplemental information") has been subjected to audit procedures performed in conjunction with the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content is presented in conformity with 17 C.F.R § 240.17a-5. In our opinion, the information contained in Schedules I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

Boros & Farrington APC

Boros & Farrington APC
San Diego, California
August 22, 2014

THE SECURITIES CENTER, INC.

Statement of Financial Condition

June 30, 2014

ASSETS

Cash and cash equivalents	\$ 23,548
Marketable securities	184,407
Commissions receivable	101,395
Prepaid income taxes	4,118
	<u>\$313,468</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accounts payable and accrued liabilities	<u>\$ 73,761</u>
Stockholder's equity	
Common stock, 100,000 shares authorized	110,972
Paid-in capital	15,960
Retained earnings	<u>112,775</u>
Total stockholder's equity	<u>239,707</u>
	<u>\$313,468</u>

See notes to financial statements.

THE SECURITIES CENTER, INC.

Statement of Income Year Ended June 30, 2014

Revenues	
Commissions and fees	\$1,320,461
Investment income	34,948
Interest and dividends	3,489
Rental and other income	4,800
Total revenues	<u>1,363,698</u>
Expenses	
Commissions	754,765
Compensation and benefits	303,950
Clearing charges	99,966
Rent and utilities	29,397
Dues and subscriptions	18,502
Travel and entertainment	7,789
Outside services	16,020
Advertising and promotion	8,512
Office	7,275
Regulatory fees	8,905
Telephone and postage	6,665
Insurance	13,418
Interest and penalties	77
Total expenses	<u>1,275,241</u>
Income before income taxes	88,457
Income tax expense	<u>(13,212)</u>
Net income	<u>\$ 75,245</u>

See notes to financial statements.

THE SECURITIES CENTER, INC.

Statement of Changes in Stockholder's Equity

Year Ended June 30, 2014

	<i>Common Stock</i>		<i>Paid-in</i>	<i>Retained</i>
	<i>Shares</i>	<i>Amount</i>	<i>Capital</i>	<i>Earnings</i>
Balance, beginning of year	30,000	\$110,972	\$15,960	\$ 37,530
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,245</u>
Balance, end of year	<u>30,000</u>	<u>\$110,972</u>	<u>\$15,960</u>	<u>\$112,775</u>

See notes to financial statements.

THE SECURITIES CENTER, INC.

Statement of Cash Flows

Year Ended June 30, 2014

Cash flows from operating activities	
Net income	\$ 75,245
Adjustments to reconcile net income to net cash from operating activities	
Investment income	(34,948)
Changes in operating assets and liabilities	
Commissions receivable	13,969
Prepaid income taxes	(4,118)
Accounts payable and accrued liabilities	(7,042)
Net cash from operating activities	<u>43,106</u>
Cash flows from investing activities	
Marketable securities	<u>(57,086)</u>
Net decrease in cash and cash equivalents	(13,980)
Cash and cash equivalents	
Beginning of year	<u>37,528</u>
End of year	<u>\$ 23,548</u>
Supplemental disclosure of cash flow information	
Interest paid	<u>\$ 17</u>
Taxes paid	<u>\$ 17,330</u>

See notes to financial statements.

THE SECURITIES CENTER, INC.

Notes to Financial Statements

1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company. The Securities Center, Inc. (the "Company") is a registered broker-dealer licensed by the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The Company provides broker-dealer services as an introducing broker-dealer clearing customer transactions through another broker-dealer on a fully disclosed basis.

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures 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 may differ from those estimates.

Revenue Recognition. Commission revenue is recognized on a trade date basis. Fee income is recognized as earned.

Advertising Costs. Advertising and promotion costs are expensed as incurred.

Income Taxes. Income taxes are accounted for using the liability method whereby deferred tax asset and liability account balances are calculated at the balance sheet date using the current tax laws and rates in effect. Federal income taxes were recognized in fiscal 2014.

Concentration of Credit Risk. The company maintains cash balances with various financial institutions. Management performs periodic evaluations of the relative credit standing of these institutions. The Company has not sustained any material credit losses from these instruments.

Receivables are due primarily from financial institutions such as investment companies, insurance companies, and clearing broker/dealers. These entities are geographically dispersed across the United States. The Company maintains individually significant receivable balances with major financial institutions. If the financial condition and operations of these institutions deteriorate substantially, the Company's operating results could be adversely affected. No allowance for doubtful accounts was considered necessary at June 30, 2014.

Financial Instruments. The carrying values reflected in the statement of financial condition at June 30, 2014 reasonably approximate the fair values financial instruments. In making such assessment, the Company has utilized discounted cash flow analyses, estimates, and quoted market prices as appropriate. No allowance for potential credit losses was considered necessary at June 30, 2014.

2. Fair Value Measurements

The Company follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included with level 1) that are observable for the asset or liability, either directly or indirectly.

THE SECURITIES CENTER, INC.

Notes to Financial Statements

- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value.

- Equity securities: Valued at quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of June 30, 2014:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equity securities	<u>\$184,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$184,407</u>

3. NET CAPITAL REQUIREMENTS

Under Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital (as defined) and a ratio of aggregate indebtedness to net capital (as defined) not exceeding 15 to 1.

The Company's ratio at June 30, 2014 was 0.3630 to 1. The basic concept of the Rule is liquidity, its object being to require a broker-dealer in securities to have at all times sufficient liquid assets to cover its current indebtedness. At June 30, 2014, the Company had net capital of \$203,189 which was \$198,189 in excess of the amount required by the SEC.

4. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO THE POSSESSION AND CONTROL REQUIREMENTS UNDER SEC RULE 15c3-3

The Company relies on Section (k) (2) (ii) of the SEC Rule 15c3-3 to exempt them from the provisions of these rules.

THE SECURITIES CENTER, INC.

Notes to Financial Statements

5. COMMITMENTS AND CONTINGENCIES

Lease Commitment. The Company leases its facilities on a short term basis. Rent expense was \$19,700 for the year ended June 30, 2014.

Off Balance Sheet Risk. As discussed in Note 1, the Company does not hold customer segregated cash or securities balances. Transactions are processed by a clearing firm on a fully disclosed basis. In conjunction with this arrangement, the Company is contingently liable for any unsecured debit balances in the customer accounts introduced by the Company. These customer activities may expose the Company to off-balance-sheet credit risk in the event the introduced customer is unable to fulfill its contracted obligations. The Company seeks to control such credit risk by monitoring its exposure to the risk of loss daily, on an account-by-account basis. At June 30, 2014, the Company was not responsible for any unsecured debits and did not have any open positions in its trading accounts.

6. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the statement of financial condition date through August 22, 2014 the date at which the financial statements were issued, and determined there are no other items to disclose.

THE SECURITIES CENTER, INC.

Schedule I Computation of Net Capital Pursuant to SEC Rule 15c3-1

June 30, 2014

Total stockholder's equity	\$239,707
Less non-allowable assets	<u> -</u>
Net capital before charges on security positions	239,707
Less charges on security positions	
Securities owned	36,336
Undue concentration	<u> 182</u>
Net capital	<u>\$203,189</u>
Total aggregate indebtedness	<u>\$ 73,761</u>
Ratio of aggregate indebtedness to net capital	<u>0.3630</u>
Minimum net capital required	<u>\$ 5,000</u>

Note: There are no differences between the net capital reported above and the net capital reported on Form FOCUS X-17A-5 Part IIA as of June 30, 2014.

THE SECURITIES CENTER, INC.

**Schedule II
Computation for Determination of Reserve Requirements
Pursuant to Rule 15c3-3**

June 30, 2014

The Company is exempt from Rule 15c3-3 under the exemptive provisions of section (k) (2) (ii) and, accordingly, has no reserve requirements. Consequently, a reserve requirement was not calculated in Part II of Form X-17A-5 of this Company's FOCUS report as of June 30, 2014; and a reconciliation to that calculation is not included herein.

THE SECURITIES CENTER, INC.

**Schedule III
Information Relating to the Possession or Control Requirements
Pursuant to Rule 15c3-3**

June 30, 2014

The Company is exempt from Rule 15c3-3 under the exemptive provisions of section (k) (2) (ii) and, accordingly, has no possession or control requirements.

Boros & Farrington

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

**SEC
Mail Processing
Section**

AUG 28 2014

**Washington DC
404**

11770 Bernardo Plaza Court • Suite 210
San Diego, CA 92128-2424
(858) 487-8518 • Fax (858) 487-6794
borosfarrington@msn.com

Report of Independent Registered Public Accounting Firm

The Securities Center, Inc.:

We have reviewed management's statements included in the accompanying letter dated August 7, 2014, in which (1) The Securities Center, Inc. (the "Company") identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3(2)(ii) and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Boros & Farrington APC

Boros & Farrington APC
San Diego, California
August 22, 2014

August 7, 2014

U.S. Securities and Exchange Commission
5670 Wilshire Boulevard, 11th Floor
Los Angeles, CA 90036-3648

Re: SEA Rule 17a-5(d)(4) Exemption Report

Dear Sirs:

Pursuant to the referenced rule The Securities Center, Inc. (SEC #8-30099) is applying for an exemption under the provisions of 17C.F.R. § 15c3-3(k) under which our company claims and exemption from 17 C.F.R. § 240.15c3-3(2)(ii). Our firm is an introducing broker or dealer who clears substantially all of our securities transactions through Wedbush Securities, Inc., the clearing broker or dealer which carries the accounts of our customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of 240.17a-3 and 240.17a-4, as are customarily made and kept by a clearing broker or dealer. Our agreement and arrangements have been in place with Wedbush Securities, Inc. since 1984 and certainly for the most recent fiscal year.

Our firm also maintains contractual relationships with several recognized mutual fund and insurance companies who hold our customer funds outside of the Wedbush Securities, Inc. relationship. Those fund companies carry the customer accounts and maintain and preserve books and records pertaining thereto pursuant to the same requirements of § 240.17a-3 and § 240.17a-4.

With respect to any and all customer funds/checks that we are presented, all checks are payable to either Wedbush Securities, Inc. or the respective mutual fund or insurance company, not to The Securities Center, Inc. or any other entity or person, and we send those checks directly to the respective company by overnight delivery regardless of size.

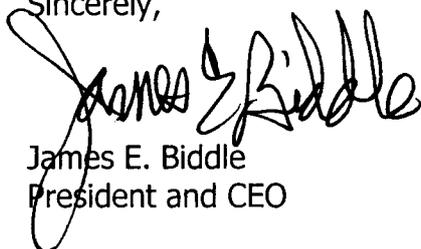
We do not accept/receive customer stock certificates under any circumstance and we do not prepare or provide any kind of statements to or for our customers.

Further, we have engaged continuously, since June 12, 2009, the certified auditing firm of Boros & Farrington, 11770 Bernardo Plaza Court, Suite 210, San Diego, CA 92128 as our PCAOB qualified firm to prepare each year's financial audit including this year's June 30, 2014 audit that will be filed by the end of this month.

The foregoing statements are true to the best of my belief and knowledge.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Biddle". The signature is written in a cursive style with a large, looping initial "J".

James E. Biddle
President and CEO

cc: SEC, Washington, DC
Boros and Farrington
FINRA, Los Angeles

Boros & Farrington

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

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San Diego, CA 92128-2424
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borosfarrington@msn.com

SIPC Supplemental Report

To the Board of Directors of The Securities Center, 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 General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2014, which were agreed to by The Securities Center, Inc. (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of Form SIPC-7. The Company's management is responsible for the Company'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 records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended June 30, 2014, with the amounts reported in Form SIPC-7 for the year ended June 30, 2014 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

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.

Boros & Farrington APC

Boros & Farrington APC
San Diego, California
August 22, 2014

THE SECURITIES CENTER, INC.

**Determination of "SIPC Net Operating Revenues"
General Assessment
And Schedule of Payments
Pursuant to SEC Rule 17a-5(e)(4)**

For the Year Ended June 30, 2014

Total revenue	\$1,363,698
Deductions	
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	(295,789)
Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions	(99,966)
Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business	(4,668)
Net gain from securities in investment accounts	(34,948)
Interest and dividends	(3,489)
Other revenues not related to the securities business	(4,800)
40% of interest earned on customers securities accounts	<u>(7,697)</u>
SIPC net operating revenues	<u>\$ 912,341</u>
General assessment @ .0025	\$ 2,281
Less payment January 28, 2014	<u>(1,025)</u>
Balance due	<u>\$ 1,256</u>