

KW
3/13/14

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response..... 12.00

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

SEC FILE NUMBER
8-~~B008062~~
8-24582



14046951

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 1/1/2013 AND ENDING 12/31/2013
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME OF BROKER-DEALER: Gary Hoch Agency, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2645 Elmwood Avenue

(No. and Street)

Kenmore
(City)

New York
(State)

14217
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Gary A. Hoch 716-881-1991

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Thomas J. Trumeter, CPA

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

400 West Metro Park
(Address)

Rochester, New York
(City) (State)

14632
(Zip Code)

SEC
Mail Processing
Section
FEB 28 2014
Washington DC
401

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)

DD
3/24/14

OATH OR AFFIRMATION

I, Gary A. Hoch, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gary Hoch Agency, Inc. 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:

None

Gary A. Hoch
Signature
President
Title

Lizbeth A. Deabold
Notary Public

LIZBETH A. DEABOLD
Lic. #01DE4989281
Notary Public-State of New York
Qualified in ERIE COUNTY
My Commission Expires 07/09/20

- 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).

GARY HOCH AGENCY, INC
FINANCIAL STATEMENTS
INTERNAL CONTROL REPORT
SUPPLEMENTAL SCHEDULE
YEAR ENDED DECEMBER 31, 2013

GARY HOCH AGENCY, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

| | |
|----------------------------------------------------|-------|
| Independent Auditors Report | 1-2 |
| Statement of Financial Condition | 3 |
| Statement of Operations | 4 |
| Statement of Changes in Shareholders Equity | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7-10 |
| Computation of Net Capital | 11-12 |
| Statement of Exemption from Rule 15c3-3 | 13 |
| Independent Auditors Report on Internal Control | 14-15 |
| STATEMENT OF EXEMPTION FORM SIPC 3 | 16-17 |

Thomas J. Trumeter
CERTIFIED PUBLIC ACCOUNTANT

WEST METRO FINANCIAL CENTER
400 West Metro Park
Rochester, N.Y. 14623-2619
Phone (585) 424-2090 Fax (585) 292-0491
E-mail Tom@TJTCPA.com

Registered Member: Public Company Accounting Oversight Board WWW.PCAOBUS.ORG

INDEPENDENT AUDITOR'S REPORT

To the Director and Shareholder
Gary Hoch Agency, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Gary Hoch Agency Inc. (the Company) which include the statement of financial condition as of December 31, 2013, and the related statement of operations, changes in shareholders' 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 of 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 Gary Hoch Agency, Inc. as of December 31, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedule I 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 and 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 Schedule I has been subjected to additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement 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 Schedule I is fairly stated in all material respects in relation to the financial statements taken as a whole.



Thomas J. Trumeter, CPA

February 26, 2014

Gary Hoch Agency, Inc
Statement of Financial Condition
December 31, 2013

Assets

| | |
|---------------------------|--------------------------|
| Cash | \$ 26,915 |
| Investments at fair value | <u>77,526</u> |
| Total Assets | <u>\$ 104,441</u> |

Liabilities and Shareholders' Equity

Liabilities

| | |
|---------------------------------------|-------------------|
| Accounts payable and accrued expenses | <u>115</u> |
| Total Liabilities | <u>115</u> |

Shareholders' Equity

| | |
|-----------------------------------------------------------------------------------------|--------------------------|
| Common stock, no par value; 200 shares authorized, 100 shares issued and outstanding | 50,000 |
| Retained earnings | <u>54,326</u> |
| Total Shareholders' Equity | <u>104,326</u> |
| Total Liabilities and Shareholders' Equity | <u>\$ 104,441</u> |

See accompanying notes to financial statements

Gary Hoch Agency, Inc.
Statement of Operations
For the Year Ended December 31, 2013

Revenue

| | |
|--------------------------------------------|----------------|
| Commission from mutual funds and annuities | \$ 106,376 |
| Fee income | 13,160 |
| Investment income | 2,746 |
| | <hr/> |
| Total Revenue | 122,282 |

Expenses

| | |
|-------------------------------------|--------|
| Salaries | 36,000 |
| Pension expense | 9,000 |
| Rent | 8,400 |
| Office supplies | 3,032 |
| Payroll taxes | 2,999 |
| Professional fees | 2,940 |
| Repairs and maintenance | 2,371 |
| Meals and entertainment | 2,242 |
| Vehicles, travel, and entertainment | 2,174 |
| Regulatory fees | 1,695 |
| Depreciation and amortization | 1,615 |
| Insurance | 1,463 |
| Software maintenance | 1,254 |
| Telephone | 1,231 |
| Dues & subscriptions | 1,153 |
| Miscellaneous | 807 |
| Security | 208 |
| | <hr/> |

Total Expenses **78,584**

Income before Provision for Income Taxes (State Franchise Taxes) **43,698**

Provision for income taxes 25

Net Income **\$ 43,673**

See accompanying notes to financial statements

Gary Hoch Agency, Inc.
Statement of Changes in Shareholders' Equity
For the Year Ended December 31, 2013

| | <u>Common Stock</u> | <u>Retained Deficit</u> | <u>Total</u> |
|---------------------------|-----------------------------|-----------------------------|-------------------|
| Balance December 31, 2012 | \$ 50,000 | \$ 25,653 | \$ 75,653 |
| Net Income | - | 43,673 | 43,673 |
| Shareholder Distributions | <u> </u> | <u>(15,000)</u> | <u>(15,000)</u> |
| Balance December 31, 2013 | <u>\$ 50,000</u> | <u>\$ 54,326</u> | <u>\$ 104,326</u> |

See accompanying notes to financial statements

Gary Hoch Agency, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2013

Cash Flows from Operating Activities:

| | |
|---------------------------------------------------------------------------------------------|----------------|
| Net income | \$ 43,673 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | |
| Depreciation | 1,615 |
| Decrease (increase) in investments, at market | <u>(2,747)</u> |
| Total Adjustments | <u>(1,132)</u> |
| Net Cash provided by Operating Activities | <u>42,541</u> |

Cash Flows from Investing Activities:

| | |
|---------------------------------------|----------------|
| Acquisition of Property and Equipment | <u>(1,615)</u> |
| Net Cash Used in Investing Activities | <u>(1,615)</u> |

Cash Flows from Financing Activities:

| | |
|---------------------------------------|-----------------|
| Shareholder Distributions | <u>(15,000)</u> |
| Net Cash Used in Financing Activities | <u>(15,000)</u> |

| | |
|-----------------------------------------------|-------------------------|
| Net Change in Cash and Cash Equivalents | 25,926 |
| Cash and Cash Equivalents - Beginning of Year | <u>989</u> |
| Cash and Cash Equivalents - End of Year | <u><u>\$ 26,915</u></u> |

Supplemental Disclosure of Cash Flow Information:

| | |
|--------------------------------------------|---------------------|
| Cash Paid During the Year for Income Taxes | <u><u>\$ 25</u></u> |
|--------------------------------------------|---------------------|

See accompanying notes to financial statements

GARY HOCH AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. THE COMPANY

Gary Hoch Agency, Inc. (Company) is a broker/dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company effects transactions in variable contracts and investment company shares (mutual funds) on an application way basis pursuant to 15c-3 subparagraph (k)(1).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Company reports on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

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

Cash – For the purposes of reporting cash flows and amounts in the Statement of Financial Condition, the Company defines cash as cash on hand and demand deposits. Cash equivalents are reported as securities owned at fair value in the Statement of Financial Condition.

Investments – Investments consist of investment company shares held at an investment company. Investments are recorded at fair value and any gain or loss is reported in operations in the period realized.

Property, Equipment and Depreciation – Property and equipment are stated at cost. When retired or otherwise disposed of, the related cost and accumulated depreciation are cleared from the respective accounts and the net difference, less any amount realized from the disposition, is reflected in the Statement of Income.

Depreciation is computed using straight-line and declining balance methods over the following estimated useful lives:

| | |
|-----------------------------------|---------|
| Computers | 5 years |
| Equipment, furniture and fixtures | 7 years |

Income Taxes – The Company does not pay federal or state income taxes on its income. Instead, the Company's income, deductions and other income tax attributes are reported to each shareholder based on their respective ownership, and included in their respective income tax returns. The company does, however, pay minimum franchise taxes in each state in which it conducts business.

GARY HOCH AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT).

Income Taxes (cont.) - The Company adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 740-10 pertaining to accounting for uncertainty in income taxes. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest and penalties assessed to the Company would be recorded in operating expenses. No items have been recorded in 2013. Management is not aware of any uncertain tax positions requiring measurement or disclosure in these financial statements.

3. FAIR VALUE

The fair value of the Company's financial instruments is determined by using available market information and appropriate valuation methodologies. The Company's principal financial instruments are cash, receivables, amounts due from affiliate, and payables. At December 31, 2013, cash, receivables, and payables, due to their short maturities, and liquidity, are carried at amounts which reasonably approximate fair value. The Company measures the fair value of its financial instruments using the procedures set forth below for all assets and liabilities that fall in the scope of this accounting guidance. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

FASB ASC 820 establishes a three-level hierarchy for disclosure to show the extent and level of judgment used to estimate fair value measurements.

Level 1 - Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Uses inputs, other than Level 1, that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data. Instruments in this category include non-exchange-traded derivatives, including interest rate swaps.

Level 3 - Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

GARY HOCH AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

3. FAIR VALUE

As of December 31, 2013, all financial instruments are recorded at cost which approximates fair value due to short term maturities. As such, the fair value hierarchy has not been applied in valuing any financial instruments.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2013:

| | |
|--------------------------------|-----------------|
| Computers and Equipment | \$ 11,244 |
| Furniture and Fixtures | <u>7,851</u> |
| | 19,095 |
| Less: Accumulated depreciation | <u>(19,095)</u> |
| | <u>\$ --0--</u> |

5. 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. At December 31, 2013, the Company had net capital of \$100,449 which was \$95,449 in excess of its required net capital of \$5,000 and a ratio aggregate indebtedness to net capital of 874 to 1.

6. INCOME TAX MATTERS

The Company, with the consent of its shareholders, has elected to be taxed as an S Corporation. These sections of federal and state income tax law provide that, in lieu of a corporate level tax on income, the shareholders separately account for their pro rata shares of the Company's items of income, deductions, losses and credits. As a result of this election, no federal or state income taxes have been recognized in the accompanying financial statements. However, the states in which the Company conducts business assess a franchise tax on the Company and these franchise taxes have been included in these financial statements.

7. PENSION PLAN

The Company adopted a retirement plan established under the provisions of Section 401K of the Internal Revenue Code effective January 1, 2007. The plan covers substantially all employees who have attained age 21 and have completed one year or 500 hours of service. The Corporation's contributions are entirely discretionary upon the director's approval. Contributions to the plan for the year December 31, 2013 amounted to \$9,000.

GARY HOCH AGENCY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

8. CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk that consist primarily of cash and cash equivalents, commissions receivable and accounts receivable. The Company maintains its cash in bank demand deposit accounts, which, at times, may exceed federally insured limits. The Company's commissions receivable are due from its clearing broker and large financial institutions from selling financial instruments. Commissions are normally paid within thirty days of the transaction. The Company's accounts receivable is due from registered representatives and shareholders. The Company has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents, commissions receivable and accounts receivable.

9. COMMITMENTS

The Company leases its office and storage space under an operating agreement that expires on December 31, 2015. Total expense amounted to \$8,400 for the year ended December 31, 2013. The following is a schedule of future minimum payments required under the above lease:

| | |
|------|----------|
| 2014 | \$ 8,400 |
| 2015 | 8,400 |

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditors' report, which is the date the financial statements were available for issue.

Gary Hoch Agency, Inc.
Schedule I - Computation of Net Capital
Under Rule 15c3-1 of the Securities and Exchange Commission
December 31, 2013

| | | |
|-----|----------------------------------------------------------------------------------------------------|-------------------|
| 1. | Total ownership equity from Statement of Financial Condition | \$ 104,326 |
| 2. | Deduct: Ownership equity not allowable for net capital | <u>-</u> |
| 3. | Total ownership equity qualified for net capital | 104,326 |
| 4. | Add: | |
| | A. Liabilities subordinated to claims of general creditors allowable in computation of net capital | - |
| | B. Other (deductions) or allowable credits | <u>-</u> |
| 5. | Total capital and allowable subordinated liabilities | 104,326 |
| 6. | Deductions and/or charges: | |
| | A. Total non-allowable assets from Statement of Financial Condition | - |
| | B. Secured demand note deficiency | - |
| | C. Commodity futures contracts and spot commodities | - |
| | D. Other deductions and/or charges | - |
| 7. | Other additions and/or allowable credits | <u>-</u> |
| 8. | Net capital before haircuts on securities positions | 104,326 |
| 9. | Haircuts on securities: | |
| | A. Contractual securities commitments | - |
| | B. Subordinated securities borrowings | - |
| | C. Trading and investment securities: | |
| | 1. Exempted securities | - |
| | 2. Debt securities | - |
| | 3. Options | - |
| | 4. Other securities | (3,877) |
| | D. Undue concentration | - |
| | E. Other | <u>-</u> |
| 10. | Net capital | <u>\$ 100,449</u> |

Continued on next page

Gary Hoch Agency, Inc.
Schedule I - Computation of Net Capital
Under Rule 15c3-1 of the Securities and Exchange Commission
December 31, 2013
(continued)

| | |
|---------------------------------------------------------------------------|-------------------|
| 11. Minimum net capital required (6-2/3% of line 19) | <u>\$ 8</u> |
| 12. Minimum dollar net capital requirement of reporting broker and dealer | <u>\$ 5,000</u> |
| 13. Net capital requirement (greater of line 11 or 12) | <u>\$ 5,000</u> |
| 14. Excess net capital (line 10 less line 13) | <u>\$ 95,449</u> |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19) | <u>\$ 100,438</u> |

Computation of Aggregate Indebtedness

| | |
|------------------------------------------------------------------------------------------|---------------|
| 16. Total A.I. Liabilities from Statement of Financial Condition | \$ 115 |
| 17. Add: | |
| A. Drafts for immediate credit | - |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | - |
| C. Other unrecorded amounts | - |
| 18. Deduct: Adjustment based on deposits in Special Reserve Accounts | <u>-</u> |
| 19. Total aggregate indebtedness | <u>\$ 115</u> |
| 20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10) | 0.11% |

Statement Pursuant to Paragraph (d) (4) of Rule 17a-5

There were no differences between this computation of net capital and the corresponding computation prepared by Gary Hoch Agency, Inc. and included in the Company's unaudited Part IIA FOCUS Report filing as of the same date.

| | |
|--------------------------------------------------------|-------------------|
| Net capital per the Company's FOCUS Report (Unaudited) | <u>\$ 100,449</u> |
| Net capital per this computation | <u>\$ 100,449</u> |

GARY HOCH AGENCY, INC
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO
POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE
COMMISSION
DECEMBER 31, 2013

Computation for determination of reserve requirements and information relating to possession or control requirements under Rule 15c3-3 of the Securities and Exchange Commission are inapplicable since the Company is exempt from such rule pursuant to paragraph (k)(1)

Thomas J. Trumeter
CERTIFIED PUBLIC ACCOUNTANT

*WEST METRO FINANCIAL CENTER
400 West Metro Park
Rochester, N.Y. 14623-2619
Phone (585) 424-2090 Fax (585) 292-0491
E-mail Tom@TJTCPA.com*

Registered Member: Public Company Accounting Oversight Board WWW.PCAOBUS.ORG

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17A-5(g)(1)
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15C3-3

To the Board of Directors and Shareholders
Gary Hoch Agency, Inc.

In planning and performing our audit of the financial statements of Gary Hoch Agency, Inc. (Company) 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 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,

Independent Auditor's Report on Internal Control Required by SEC Rule 17a-5(g)(1)
For a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3
Page 2

assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and the 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 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 and firm assets 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 December 31, 2013 to meet the SEC's objectives.

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



Thomas J. Trumeter, CPA
Rochester, NY

February 26, 2014

Securities Investor Protection Corporation
805 15th Street NW, Suite 800
Washington, DC 20005-2215

Forwarding and Address Correction Requested

SIPC-3 2014

8-024582 FINRA DEC 3/31/1980
GARY HOCH AGENCY INC
2645 ELMWOOD AVE
BUFFALO, NY 14217

Check appropriate boxes.

(i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;

(ii) its business as a broker-dealer is expected to consist exclusively of:

(I) the distribution of shares of registered open end investment companies or unit investment trusts;

(II) the sale of variable annuities;

(III) the business of insurance;

(IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

(iii) it is registered pursuant to 15 U.S.C. 78o(b)(1)(A) as a broker-dealer with respect to transactions in securities futures products;

Pursuant to the terms of this form (detailed below),

x E. Gary Hoch, III 12-23-13
Authorized Signature/Title Date

Securities Investor Protection Corporation
805 15th Street NW, Suite 800
Washington, DC 20005-2215

Form SIPC-3

FY 2014

Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the year ending December 31, 2014 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;*
- (ii) its business as a broker-dealer is expected to consist exclusively of:
- (I) the distribution of shares of registered open end investment companies or unit investment trusts;
- (II) the sale of variable annuities;
- (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- (iii) it is registered pursuant to 15 U.S.C. 78o(b)(1)(A) as a broker-dealer with respect to transactions in securities futures products;

and that, therefore, under section 78ccc(a)(2)(A) of SIPA it is excluded from membership in SIPC.

*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under section 78ddd(c) of the SIPA.

Sign, date and return this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain a copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

Securities Investor Protection Corporation
805 15th Street, N.W., Suite 800
Washington, D.C. 20005-2215

For mailing and address information, see page 2.

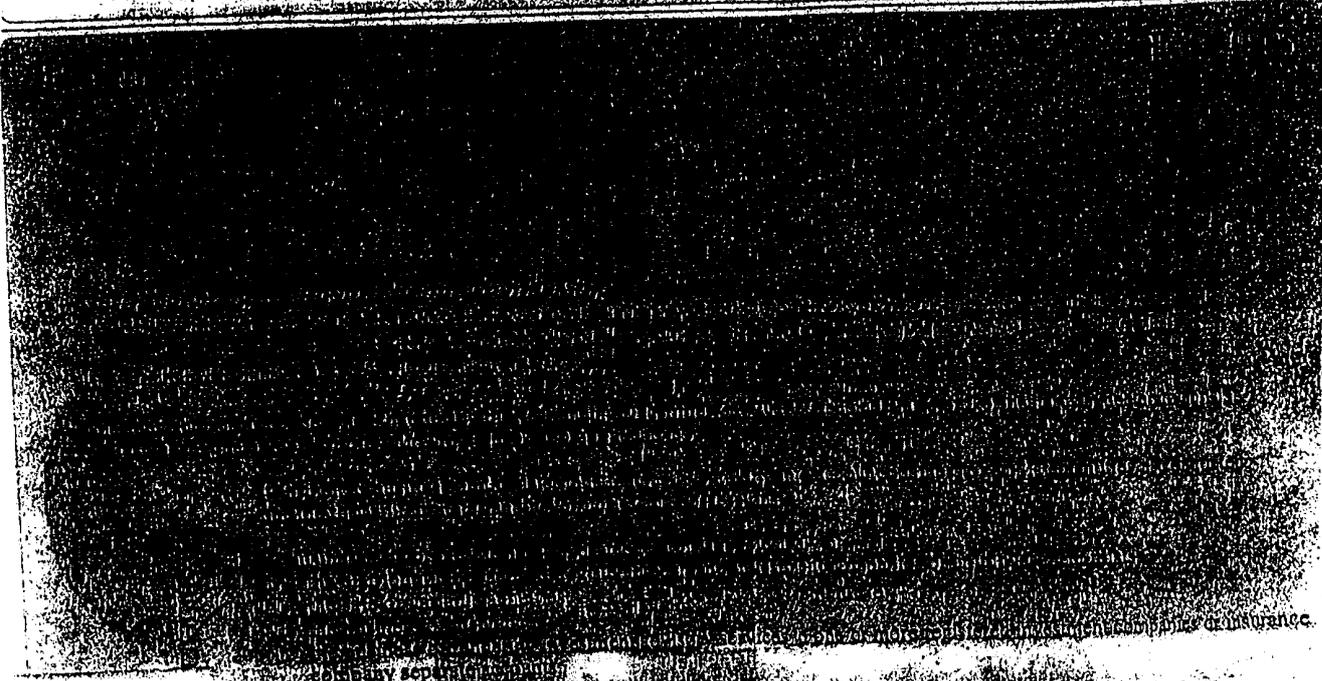
SIPC-3 2013

8.

8-024582 FINRA DEC 3/31/1980
GARY HOCH AGENCY INC
2645 ELMWOOD AVE.
BUFFALO, NY 14217

Signature of the member in this form is a full disclosure
Gary Hoch 1/29/13
Secretary of the Corporation

Securities Investor Protection Corporation
805 15th Street, N.W., Suite 800
Washington, D.C. 20005-2215



The following bylaw was adopted by the Board of Directors:

Interest Assessments

If any broker or dealer has unreasonably filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

Sign, date and return the top portion of this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain the bottom portion of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.