

DMC

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
8-47783

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 01/01/14 AND ENDING 12/31/14  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CoreCap Investments, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4000 Town Center, 11th Floor

(No. and Street)

Southfield

MI

48075

(City)

(State)

(Zip Code)

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

R. Max Pett

888-296-3360

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Carnaghi & Schwark PLLC

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

30435 Groesbeck,

Roseville

MI

48066

(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)

AB  
3/13

OATH OR AFFIRMATION

I, R. Max Pett, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CoreCap Investments, Inc. of Decmeber 31, 20 14, 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

[Handwritten signature of R. Max Pett]

Signature

President

Title

KATHLEEN A. HOFER
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES Oct 18, 2019
ACTING IN COUNTY OF

[Handwritten signature of Kathleen A. Hofer]

Kathleen A. Hofer

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).

## **CORECAP INVESTMENTS, INC.**

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### Financial Statements and Supplementary Information

December 31, 2014

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**Carnaghi & Schwark, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
UPTON PROFESSIONAL BUILDING  
31435 GROESBECK HIGHWAY  
ROSEVILLE, MICHIGAN 48066

Anthony L. Carnaghi, CPA  
Douglas W. Schwark, CPA

(586) 779-8010  
FAX (586) 771-8970

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors  
CoreCap Investments, Inc.  
Southfield, Michigan

We have audited the accompanying financial statements of CoreCap Investments, Inc., a Michigan corporation, which comprise the statement of financial condition as of December 31, 2014 and the related statement of operations, stockholder'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 and supplemental information. CoreCap Investments Inc.'s management is responsible for these financial statements. 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 of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 CoreCap Investments, Inc. as of December 31, 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 of America.

The supplementary information contained on pages 12 to 14, has been subjected to audit procedures performed in conjunction with the audit of CoreCap Investments Inc.'s financial statements. The supplementary information is the responsibility of the Company's management. Our audit procedures included determining whether the supplementary 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 information presented in the supplementary information. In forming our opinion on the supplementary information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Carnaghi + Schwark, PLLC*

Roseville, Michigan  
February 24, 2015

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**CORECAP INVESTMENTS, INC.**

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**STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2014**

**ASSETS**

Cash .....	\$	336,840
Accounts receivable:		
Brokers, dealers and clearing organizations .....		10,276
Deposit - clearing organizations .....		50,000
Sales representatives .....		57,774
Commissions .....		38,002
Related party .....		40,831
Other.....		3,500
Prepaid expenses.....		<u>34,486</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>571,709</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts payable.....	\$	25,975
Commissions payable .....		71,523
Amount due to related party .....		<u>273,531</u>
<b>Total Liabilities</b>		<b>371,029</b>

**STOCKHOLDERS' EQUITY**

Common stock, \$1 par value, 10,000 shares authorized 1,000 shares issued and outstanding .....		1,000
Additional paid-in capital .....		241,832
Retained earnings (deficit).....	(	<u>42,152)</u>
<b>Total Stockholders' Equity</b>		<b><u>200,680</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>571,709</u></b>

See accompanying notes.

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**CORECAP INVESTMENTS, INC.**

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**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014**

Revenue:	
Commissions .....	\$ 1,510,085
Other income .....	<u>34,015</u>
<i>Total revenue</i>	1,544,100
Operating Expenses:	
Commission expenses .....	1,100,224
Clearance fees .....	53,247
Communications.....	25,812
Occupancy costs.....	51,329
Other operating expenses .....	<u>366,895</u>
<i>Total operating expenses</i>	<u>1,597,507</u>
<b>NET LOSS</b>	<b><u>(\$ 53,407)</u></b>

See accompanying notes.

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■ **CORECAP INVESTMENTS, INC.**

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**STATEMENT OF STOCKHOLDERS' EQUITY**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
<i>Balance at January 1, 2014</i>	\$ 1,000	\$ 181,832	\$ 61,569	\$ 244,401
Capital infusion	—	60,000	—	60,000
Prior period adjustment - reversal of deferred income taxes	—	—	( 50,314)	( 50,314)
Net income (loss)	<u>—</u>	<u>—</u>	<u>( 53,407)</u>	<u>( 53,407)</u>
<i>Balance at December 31, 2014</i>	<u>\$ 1,000</u>	<u>\$ 241,832</u>	<u>(\$ 42,152)</u>	<u>\$ 200,680</u>

See accompanying notes.

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■ **CORECAP INVESTMENTS, INC.**

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**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss .....	(\$ 53,407)
Adjustment to reconcile net loss to net cash used by operating activities:	
Changes in:	
Receivables .....	( 15,431)
Prepaid expenses.....	( 34,486)
Accounts payable.....	<u>236,274</u>
<b>Total adjustments</b>	<u>186,357</u>
<b>Net cash provided by operating activities</b>	<b>132,950</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Additional capital paid in.....	<u>60,000</u>
<b>Net cash provided by financing activities</b>	<u>60,000</u>

<b>NET INCREASE IN CASH</b>	<b>192,950</b>
<b>Cash and cash equivalents – Beginning of year</b>	<u>143,890</u>
<b>Cash and cash equivalents – End of year</b>	<u>\$ 336,840</u>

See accompanying notes.

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**CORECAP INVESTMENTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION**

CoreCap Investments, Inc. (the “Company”) operates as an introducing broker-dealer clearing its client’s transactions on a fully disclosed basis through a clearing broker-dealer. The Company was incorporated in May 2012 and registered with the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC) in March 1996.

The Company is a wholly owned subsidiary of CoreCap Holdings, Inc.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue Recognition**

Securities transactions and the related commission revenue and expenses are recorded on a trade date basis. Investment advisory fees and insurance commissions are recorded when earned.

**Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Instruments with Off-Balance Sheet Risk**

In the normal course of business, the Company’s activities involve the execution, settlement and financing of various securities transactions. These activities may expose the Company to off-balance sheet risk in the event the other party to the transaction is unable to fulfill its contractual obligation.

**Federal Income Taxes**

The stockholders elected, under the applicable provisions of the Internal Revenue Code, to be taxed as an S corporation effective January 1, 2014. Under such provisions, the Company does not generally incur a Federal income tax liability; instead, net income or loss is includable in computing the taxable income of the individual stockholders. However, CoreCap Investments, Inc. is still liable for taxes on built-in gains if certain assets are sold that were held at the time that the S corporation election was made.

In some cases, S corporations incur Federal income taxes on the sale of assets, and additionally, could be liable for Federal income taxes should the election to be taxed as an S corporation be voluntarily or involuntarily terminated.

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**CORECAP INVESTMENTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity's tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination. With few exceptions, the Company is no longer subject to U.S. Federal income tax examinations for years before 2011 or state income tax examinations for years before 2010.

**Subsequent Events**

The Company has evaluated events and transactions for potential recognition or disclosure through February 24, 2015, which is the same date the financial statements were available to be issued.

**NOTE 3 – TRANSACTIONS WITH PARENT COMPANY**

The Parent Company provides furniture and fixtures, personnel, general administrative and consulting services to the Company in connection with the Company's business. Reimbursement of these expenses is based on an itemized schedule of amounts paid.

For the year ended December 31, 2014 charges for the services provided by CoreCap Holdings, Inc. approximated \$306,500, and are included in other operating expenses in the accompanying statement of operations.

**NOTE 4 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$50,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2014, the Company's net capital totaled \$66,558 which was \$16,558 in excess of its required net capital of \$50,000. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was 5.57 to 1.

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**CORECAP INVESTMENTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – LEASE COMMITMENTS**

The Company leases facilities under an operating lease expiring September 30, 2015. The remaining future minimum lease payments are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2015	31,977

The operating lease includes common area maintenance, property taxes and utilities.

For the year ended December 31, 2014 the total lease expense pursuant to the above operating lease amounted to \$39,720, and is included in occupancy costs in the accompanying statement of operations.

***SUPPLEMENTARY INFORMATION***

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■ **CORECAP INVESTMENTS, INC.**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION**

Total ownership equity	\$ 200,680
Deduct ownership equity not allowable for net capital	<u>-</u>
Total ownership equity qualified for net capital	200,680
Add:	
a. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-
b. Other deductions or allowable credits	<u>-</u>
Total capital and allowable subordinated liabilities	200,680
Deduction and/or charges:	
a. Total non-allowable assets from Statement of Financial Condition	134,122
b. Other deductions and/or charges	-
Other additions and/or allowable credits	<u>-</u>
Net capital before haircuts on securities positions	66,558
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1[f])	<u>-</u>
Net capital	66,558
Net capital requirement	<u>50,000</u>
Excess net capital	<u>\$ 16,558</u>

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■ **CORECAP INVESTMENTS, INC.**

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**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION**

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total aggregate indebtedness liabilities	<u>\$ 371,029</u>
Percentage of aggregate indebtedness to net capital	<u>557%</u>

**Reconciliation with Company's Computation**

There is no material difference between the computation of net capital as reported in CoreCap Investments, Inc. Part II amended (Unaudited) FOCUS report dated December 31, 2014 and the above calculations.

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■ ***CORECAP INVESTMENTS, INC.***

***COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALER UNDER RULE 15c3-3***

CoreCap Investments, Inc. is exempt from the Computation for Determination of Reserve Requirements for Broker-Dealers under Rule 15c3-3 of the Securities and Exchange Commission because of exemption provided under Rule 15c3-3(k)(2)(ii), as a broker-dealer, “who, as an introducing broker-dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer ...”.

**Carnaghi & Schwark, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
UPTON PROFESSIONAL BUILDING  
30435 GROESBECK HIGHWAY  
ROSEVILLE, MICHIGAN 48066

ANTHONY L. CARNAGHI, CPA  
DOUGLAS W. SCHWARK, CPA

(586) 779-8010  
FAX (586) 771-8970

**SIPC SUPPLEMENTAL REPORT IN ACCORDANCE WITH RULE 17a-5(e)(4)**

**INDEPENDENT ACCOUNTANTS REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
CoreCap Investments, Inc.  
Southfield, Michigan

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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by CoreCap Investments, 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 CoreCap Investments, Inc.'s compliance with the applicable instructions of the Form SIPC-7. CoreCap Investments Inc.'s management is responsible for CoreCap Investments Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 December 31, 2014 with the amounts reported in Form SIPC-7 for the year ended December 31, 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.

*Carnaghi + Schwarz, PLLC*

Roseville, Michigan  
February 24, 2015

**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 12/31/2014

(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:

18\*18\*\*\*\*\*2541\*\*\*\*\*MIXED AADC 220  
047783 FINRA DEC  
CORECAP INVESTMENTS INC  
4000 TOWN CTR 11TH FL  
SOUTHFIELD MI 48075-1410

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.

2. A. General Assessment (item 2e from page 2)

\$ 927.30

B. Less payment made with SIPC-6 filed (exclude interest)

( 505.64 )

Date Paid

C. Less prior overpayment applied

( \_\_\_\_\_ )

D. Assessment balance due or (overpayment)

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)

\$ 421.66

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 421.66

H. Overpayment carried forward

\$( \_\_\_\_\_ )

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.

CORECAP INVESTMENTS INC

(Name of Corporation/Partnership or other organization)

[Signature]

(Authorized Signature)

Dated the 19 day of FEB, 20 15.

PRES

(Title)

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:

1 [17]

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2014  
and ending 12/31/2014

Item No.

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

Eliminate cents  
\$ 1,544,100

b. 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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_0\_\_\_\_\_

Total additions

c. 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.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (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).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

\_\_\_\_\_1,119,936\_\_\_\_\_

\_\_\_\_\_53,247\_\_\_\_\_

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

(Deductions in excess of \$100,000 require documentation)

(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

\_\_\_\_\_0\_\_\_\_\_

\_\_\_\_\_1,173,183\_\_\_\_\_

\$ \_\_\_\_\_370,917\_\_\_\_\_

\$ \_\_\_\_\_927.30\_\_\_\_\_

SIPC Net Operating Revenues

General Assessment @ .0025

(to page 1, line 2.A.)

**Carnaghi & Schwark, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

ROSEVILLE, MICHIGAN 48066

Anthony L. Carnaghi, CPA  
Douglas W. Schwark, CPA

(586) 779-8010  
FAX (586) 771-8970

**EXEMPTION REPORT IN ACCORDANCE WITH RULE 17a-5**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors  
CoreCap Investments, Inc.  
Southfield, Michigan

We have reviewed management's statements, included in the accompanying Exemption Report prepared pursuant to Securities and Exchange Act of 1934 Rule 17a-5, in which CoreCap Investments, Inc. identified the following provisions of 17 C.F.R. subsection 15c3-3(k) under which CoreCap Investments, Inc. claimed an exemption from 17 C.F.R. subsection 240.15c3-3: k(2)(ii) (the "exemption provisions") and CoreCap Investments, Inc. stated that they met the identified exemption provisions throughout the current fiscal year without exception. CoreCap Investments Inc.'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 CoreCap Investments, Inc.'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 provisions set forth in paragraph (k)(2)(ii) of rule 15c3-3 under the Securities Exchange Act of 1934.

*Carnaghi + Schwark, PLLC*

Roseville, Michigan  
February 24, 2015

