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

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

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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:  
International Research Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
2301 Cedar Springs, Suite 150

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
Dallas TX 75201-7801  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

CF & Co., L.L.P

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

8750 N. Central Expressway, Suite 300 Dallas TX 75231  
(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

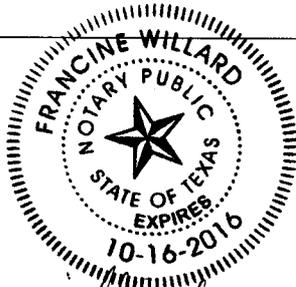
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

FB  
3/13/15

OATH OR AFFIRMATION

I, Gordon Peterson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of International Research Securities, Inc., as of December 31, 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:

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



Francine Willard  
Notary Public

Gordon Peterson

Signature

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 Stockholders' Equity or partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the Audited and Unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Report of Independent Registered Public Accounting Firm on Management's Exception Report.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**INTERNATIONAL RESEARCH SECURITIES, INC.**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
International Research Securities, Inc.  
Dallas, Texas

We have audited the accompanying statement of financial condition of International Research Securities, Inc. (the "Company") as of December 31, 2014, and the related statements of income, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors 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 of 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 International Research Securities, 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 in Schedule I (the "Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of 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 information presented in 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 Supplemental Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*CF & Co., L.L.P.*

CF & Co., L.L.P.

Dallas, Texas  
February 27, 2015

INTERNATIONAL RESEARCH SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2014

<b>ASSETS</b>	<b>2014</b>
Cash and cash equivalents	\$ 39,672
Receivable from broker-dealers and clearing organizations	14,462
Other assets	<u>6,747</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 60,881</u></b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
Liabilities:	
Commissions payable	<u>\$ 4,242</u>
Total Current Liabilities	<u>4,242</u>
Stockholder's equity	
Common stock, 100,00 shares authorized of \$1.00 par value, 11,000 shares issued and outstanding	11,000
Additional paid-in capital	31,579
Retained earnings	<u>14,060</u>
Total stockholder's equity	<u>56,639</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 60,881</u></b>

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

INTERNATIONAL RESEARCH SECURITIES, INC.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

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**Revenues:**

Revenue from sale of investment company shares	\$	205,712
Commission income		70,859
Other income		1,288
Total Revenues		<u>277,859</u>

**Expenses:**

Compensation		232,395
Regulatory fees and expenses		8,500
Clearance		268
Other		35,307
Total Expenses		<u>276,470</u>

Income before taxes		1,389
Provision for state income taxes		-
		<u>-</u>

<b>Net Income (Loss)</b>	<b>\$</b>	<b><u>1,389</u></b>
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The accompanying notes are an integral part of these financial statements.

**INTERNATIONAL RESEARCH SECURITIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2013	\$ 11,000	\$ 31,579	\$ 12,671	\$ 55,250
Net Income	-	-	1,389	1,389
Balance, December 31, 2014	<u>\$ 11,000</u>	<u>\$ 31,579</u>	<u>\$ 14,060</u>	<u>\$ 56,639</u>

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

**INTERNATIONAL RESEARCH SECURITIES, INC.**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF GENERAL CREDITORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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Balance at December 31, 2013	\$	-
Increases		-
Decreases		-
Balance at December 31, 2014	\$	-

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

INTERNATIONAL RESEARCH SECURITIES, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

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**CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:**

Net Income	\$	1,389
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Increase in receivable from broker-dealers and clearing organizations		(4,193)
Decrease in other assets		709
Decrease in accounts payable and accrued expenses		(544)
Increase in commissions payable		4,193

Net cash provided (used) by operating activities 1,554

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net cash provided (used) by investing activities -

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Net cash provided (used) by financing activities -

Net increase in cash and cash equivalents 1,554

Cash and cash equivalents at beginning of year 38,118

Cash and cash equivalents at end of year \$ 39,672

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Cash paid for:  
Income taxes \$ -

Interest \$ -

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

**INTERNATIONAL RESEARCH SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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**NOTE 1 – Summary of Significant Accounting Policies**

**Nature of Operations and Basis of Presentation:**

International Research Securities, Inc. (the “Company”) is a broker-dealer in securities registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company operates under SEC Rule 15c3-3(d)(2)(ii), which provides that all funds and securities belonging to the Company’s customers would be handled by a clearing broker-dealer. The Company’s customers are located throughout the United States. The accounting and reporting policies of the Company conform to U.S. generally accepted accounting principles and to general practices within the securities industry.

**Cash and Cash Equivalents:**

For purposes of reporting cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, which are not held for sale in the ordinary course of business.

**Receivables from Broker-Dealers and Clearing Organizations:**

Receivables from broker-dealers and clearing organizations are generally collected in full in the month following their accrual. As such, management has not recorded an allowance for doubtful accounts on these receivables. Management records an allowance for bad debts based on a collectability review of specific accounts. Any receivables deemed uncollectible are written off against the allowance.

**Revenue Recognition:**

Security transactions (and related commission revenue and expenses) are recorded on a settlement date basis, generally the third business day following the transactions. If materially different, commission income and related expense is adjusted to a trade date basis.

**Income Taxes:**

The Company files as an “S” corporation for Federal income tax purposes. The Company’s net income is taxed at the shareholder level rather than at the corporate level for Federal income tax purposes, and thus, no provision for Federal income taxes has been made in the accompanying financial statements. The Company is liable for income taxes in the State of Texas, subject to certain exemptions.

Any potential interest and penalty associated with a tax contingency, should one arise, would be included as a component of income tax expense in the period in which the assessment arises. The Company’s federal and state income tax returns are subject to examination over various statutes of limitations generally ranging from three to five years.

INTERNATIONAL RESEARCH SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

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**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**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.

**NOTE 2 – Net Capital Requirements**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

At December 31, 2014, the Company had net capital of approximately \$49,688 and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.09 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

**NOTE 3 – Possession or Control Requirements**

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(2)(ii) by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

**NOTE 4 – Related Party Transactions**

The Company entered into an expense-sharing agreement with an affiliate whereby the Company is provided office space, office facilities and administrative help. Under this agreement, the Company is not directly or indirectly liable for any payments to the affiliate.

The Company and various related entities are under common control and the existence of that control may create operating results and financial position significantly different than if the companies were autonomous.

**NOTE 5 – Commitments and Contingencies**

Included in the Company's clearing agreement with its clearing broker-dealer, is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2014, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware, of any potential losses relating to this indemnification.

**Supplemental Information**  
**Pursuant to Rule 17a-5**  
**of the Securities Exchange Act of 1934**  
**as of**  
**December 31, 2014**

Schedule I

INTERNATIONAL RESEARCH SECURITIES, INC.  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2014

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**COMPUTATION OF NET CAPITAL**

Total stockholder's equity qualified for net capital	\$	56,639
Add:		
Other deductions or allowable credits		<u>-</u>
Total capital and allowable subordinated liabilities		56,639
Deductions and/or charges:		
Non-allowable assets		
Other assets		<u>(6,747)</u>
Net capital before haircuts on securities positions		49,892
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f))		<u>(204)</u>
Net Capital	\$	<u><u>49,688</u></u>

**AGGREGATE INDEBTEDNESS**

Items included in statement of financial condition:		
Commissions payable		<u>4,242</u>
Total aggregate indebtedness	\$	<u><u>4,242</u></u>

**Schedule I (continued)**

**INTERNATIONAL RESEARCH SECURITIES, INC.  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2014**

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**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6-2/3% of total aggregate indebtedness)	<u>\$</u> <u>283</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$</u> <u>5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$</u> <u>5,000</u>
Net capital in excess of required minimum	<u>\$</u> <u>44,688</u>
Excess net capital at 1000%	<u>\$</u> <u>49,263</u>
Ratio: Aggregate indebtedness to net capital	<u>0.09 to 1</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

There are no differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

**Report of Independent Registered Public  
Accounting firm on Management's  
Exemption Report**



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
ON MANAGEMENT'S EXEMPTION REPORT

To the Board of Directors  
International Research Securities, Inc.  
Dallas, Texas

We have reviewed management's statements, included in the accompanying Management's Exemption Report, in which (a) International Research Securities, 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(k)(2)(ii) (the "exemption provisions") and (b) the Company stated that the Company met the identified exemption provisions throughout the period from June 1, 2014 to December 31, 2014 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 provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*CF & Co., L.L.P.*

CF & Co., L.L.P.

Dallas, Texas  
February 27, 2015

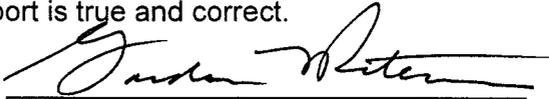
**INTERNATIONAL RESEARCH SECURITIES, INC.**  
**BROKER-DEALER ANNUAL EXEMPTION REPORT**  
**DECEMBER 31, 2014**

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International Research Securities, Inc. claims an exemption from the provisions of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule. International Research Securities, Inc. met the aforementioned exemption provisions throughout the period from June 1, 2014 to December 31, 2014 without exception.

**INTERNATIONAL RESEARCH SECURITIES, INC.**

I, Gordon Peterson, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

Gordon Peterson

CEO

February 25, 2015