

SECURITIES AND EXCHANGE COMMISSION

FORM X-17A-5/A

Annual audited report of brokers and dealers (Section 17 of Act 1934 and Rule 17a-5) [amend]

Filing Date: **2013-03-19** | Period of Report: **2012-12-31**  
SEC Accession No. [999999997-13-006163](#)

([HTML Version](#) on [secdatabase.com](#))

FILER

**WORDENTRADE, INC.**

CIK: **1504000** | IRS No.: **273641065** | State of Incorpor.: **GA** | Fiscal Year End: **1231**  
Type: **X-17A-5/A** | Act: **34** | File No.: **008-68723** | Film No.: **13031133**

Mailing Address  
6030 BETHELVIEW ROAD  
SUITE102  
CUMMING GA 30040

Business Address  
6030 BETHELVIEW ROAD  
SUITE102-A  
CUMMING GA 30040  
678-679-8910



13031133

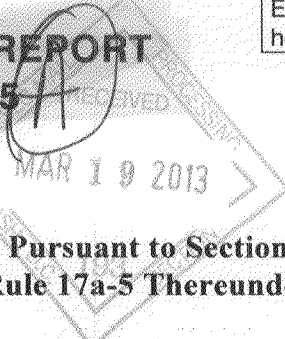
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: April 30, 2013  
Estimated average burden  
hours per response: 12.00

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ANNUAL AUDITED REPORT  
FORM X-17A-5

PART III  
amended  
FACING PAGE



SEC FILE NUMBER  
8- 68723

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: WORDENTRADE, INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

6030 BETHELVIEW ROAD SUITE 102-A

(No. and Street)

CUMMING

GA

30040

(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\*

WADE J BOWDEN & COMPANY, CPAS, P.C.

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

1720 EPPS BRIDGE PARKWAY, SUITE 108-381

ATHENS, GA

30606

(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)

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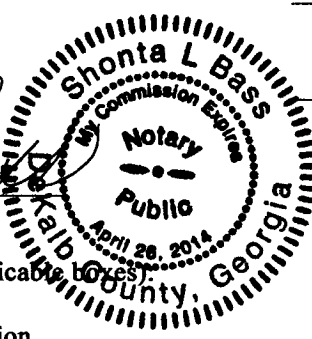
OATH OR AFFIRMATION

I, Curtis Weeks, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WORDENTRADE, INC., as

of December 31, 20 12, 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:

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

Shonta L Bass  
Notary Public



Curtis Weeks  
Signature

CAO  
Title

- 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).

# **WORDENTRADE, INC.**

Formerly Known as ARROWHEAD SECURITIES, INC.

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# WADE J BOWDEN & COMPANY, CPAS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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To the Shareholders and Directors  
WordenTrade, Inc.:

### Report on the Financial Statements

We have audited the accompanying statement of financial condition of WordenTrade, Inc., (the Company) as of December 31, 2012, and the related statements of income, changes in 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.

### 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.

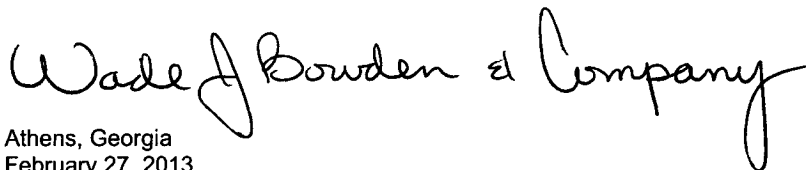
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WordenTrade, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule I has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule I is fairly stated in all material respects in relation to the financial statements as a whole.

  
Athens, Georgia  
February 27, 2013

1720 EPPS BRIDGE PARKWAY, SUITE 108-381

ATHENS, GEORGIA 30606

PH 770-500-9798

FAX 678-868-1411

[WBOWDEN@VOLCPA.COM](mailto:WBOWDEN@VOLCPA.COM)

# WORDENTRADE, INC.

Formerly Known as ARROWHEAD SECURITIES, INC.

## STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2012

### ASSETS

<b>CURRENT ASSETS:</b>	
Cash	\$ 57,392
Deposit with clearing broker	10,198
Prepaid expenses	17,097
Deferred tax asset	18,256
Total current assets	<b>\$ 102,943</b>
<b>OTHER ASSET - deposit</b>	<b>1,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 103,943</b>

### LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES - accounts payable</b>	<b>\$ 6,316</b>
<b>STOCKHOLDERS' EQUITY:</b>	
Capital stock \$1 par value, 2,000 shares authorized, issued and outstanding	2,000
Additional paid-in-capital	155,789
Deficit	(60,162)
Total stockholders' equity	<b>97,627</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 103,943</b>

See Independent Auditors' Report and  
Notes to Financial Statements.

# **WORDENTRADE, INC.**

Formerly Known as ARROWHEAD SECURITIES, INC.

## **STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>REVENUE - commissions</b>	<b>\$ 255</b>
<b>OPERATING EXPENSES:</b>	
Legal and professional fees	48,761
Taxes, licenses and permits	11,457
Occupancy and administrative	5,634
Technology	6,260
Travel	1,167
 Total expenses	 <b>73,279</b>
 <b>Net loss before taxes</b>	 <b>\$ (73,024)</b>
 <b>INCOME TAX BENEFIT</b>	 <b>(18,256)</b>
 <b>NET LOSS</b>	 <b>\$ (54,768)</b>

See Independent Auditors' Report and  
Notes to Financial Statements.

# **WORDENTRADE, INC.**

Formerly Known as ARROWHEAD SECURITIES, INC.

## **STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>SHAREHOLDERS' EQUITY, JANUARY 1</b>	<b>\$</b>	<b>24,605</b>
Net loss		(54,768)
Capital contributions		127,790
<b>SHAREHOLDERS' EQUITY, DECEMBER 31</b>	<b>\$</b>	<b>97,627</b>

See Independent Auditors' Report and  
Notes to Financial Statements.



**WORDENTRADE, INC.**  
**Formerly Known as ARROWHEAD SECURITIES, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>OPERATING ACTIVITIES:</b>	
Net loss	\$ (54,768)
Adjustments to reconcile net loss to net cash used by operating activities:	
Non-cash expenditures contributed as capital	790
Increase in deferred tax asset	(18,256)
Increase in prepaid expenses	(18,097)
Increase in deposits	(10,198)
Increase in accounts payable	6,316
Net cash used by operating activities	(94,213)
<b>FINANCING ACTIVITY - capital contributions</b>	<b>127,000</b>
<b>NET INCREASE IN CASH</b>	<b>32,787</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>24,605</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 57,392</b>

See Independent Auditors' Report and  
Notes to Financial Statements.

# **WORDENTRADE, INC.**

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## **Formerly Known as ARROWHEAD SECURITIES, INC.**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Organization and Nature of Business

WordenTrade, Inc. (the "Company") formerly known as Arrowhead Securities, Inc. is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority, Inc. (FINRA). The Company acquired its broker-dealer registration from FINRA effective July 1, 2011.

In March 2012, Worden Securities Holdings, Inc. purchased 100% of the issued and outstanding shares of common stock of the Company from its previous owner and the Company changed its name to WordenTrade, Inc.

WordenTrade, Inc. is a general securities broker/dealer offering online trading in products such as equities, corporate bonds, government bonds, options, ETFs, REITs, and CD's to retail customers.

#### Basis of Presentation

The Company keeps its books and prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles 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.

#### Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash.

#### Commissions

Commission revenue is derived by the Company acting as an agent buying and selling securities on behalf of its customers. Each time a customer enters into a buy or sell transaction a commission is earned by the Company for its selling and administrative efforts. Commissions and related expenses are recorded on a trade-date basis as securities transactions occur.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Taxes

The Company files income tax returns in the U.S. federal, state and local jurisdictions. The estimated income tax benefit is summarized as follows:

Estimated deferred tax benefit from year ended December 31:	
	2012
	(18,256)

The estimated deferred tax benefit is primarily due to net operating loss carryforwards. The Company does not anticipate significant differences between the statutory tax rate and its effective tax rate due to lack of significant income, non-deductible expenses of fixed assets.

**2. RELATED PARTY TRANSACTION**

The Company received capital contributions from its shareholder in the amount of \$127,790 for the year ended December 31, 2012.

The Company paid Worden Brothers, Inc. \$6,000 for technology services for the year ended December 31, 2012, such amount is included technology expense in the accompanying statement of operations.

**3. COMMITMENTS AND CONTINGENCIES**

The Company has evaluated commitments and contingencies in accordance with Accounting Standards Codification 450, Contingencies (ASC 450) and Accounting Standards Codification 440, Commitments (ASC 440). Management has determined that no significant commitments and contingencies exist as of December 31, 2012.

**4. 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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2012, the Company had net capital of \$61,274 which was \$56,274 in excess of its required net capital of \$5,000. The Company's percentage of aggregate indebtedness to net capital was 10.31%.

**5. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934 pursuant to paragraph (k)(2)(ii) of the rule.

**6. INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934 pursuant to paragraph (k)(2)(ii) of the rule.

**7. SIPC ASSESSMENT RECONCILIATION**

The Company did not have revenues over \$500,000 for the year ended December 31, 2012. As a result the Company is not required to include the Form SIPC-7 or the Accountant's Report on the SIPC Assessment Reconciliation. Such items are not included in this filing.

# WORDENTRADE, INC.

Formerly Known as ARROWHEAD SECURITIES, INC.

## COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION AS OF DECEMBER 31, 2012

<b>SCHEDULE 1</b>	
<b>TOTAL STOCKHOLDERS' EQUITY QUALIFIED FOR NET CAPITAL</b>	<b>\$ 97,627</b>
<b>DEDUCTIONS AND/OR CHARGES:</b>	
Non-allowable assets:	
Deposits	(1,000)
Prepaid expenses	(17,097)
Deferred tax asset	(18,256)
<b>NET CAPITAL</b>	<b>61,274</b>
<b>AGGREGATE INDEBTEDNESS -</b>	
Accounts payable	6,315
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT -</b>	
Minimum net capital required	5,000
Excess net capital	56,274
Excess net capital at 1,000 percent	\$ 55,274
Percentage of aggregate indebtedness to net capital	10.31%

The only audit adjustment was to current tax benefit and deferred tax asset. However the adjustments provide for no difference in the Company's net capital, as reported in the Company's Part IIA (unaudited) FOCUS report as of December 31, 2012.

See Independent Auditors' Report and  
Notes to Financial Statements.

# WADE J BOWDEN & COMPANY, CPAS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## REPORT ON INTERNAL CONTROL

REQUIRED BY  
SECURITIES EXCHANGE COMMISSION (SEC) RULE 17A-5  
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM  
(SEC) RULE 15C3-3

To the Shareholders and Directors  
WordenTrade, Inc.:

In planning and performing our audit of the financial statements and supplementary schedule of WordenTrade, Inc. (the "Company"), as of and for the year ended December 31, 2012, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on 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 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
2. Recordation of differences required by Rule 17a-13
3. 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 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 above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

See Independent Auditors' Report and  
Notes to Financial Statements

10

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WBOWDEN@VOLCPA.COM

Because of inherent limitations in any internal control or the practices and procedures referred to above, errors 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 the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including control activities for safeguarding securities that we consider to be material weakness as defined above.

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 were adequate as of December 31, 2011 to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the division of duties and cross-checks generally included in a system of internal accounting control, and that alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of Shareholders, Directors, management, the SEC, 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 used by anyone other than these specified parties.

  
Athens, Georgia  
February 27, 2013

**WORDENTRADE, INC.**

Formerly Known as ARROWHEAD SECURITIES, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2012  
AND INDEPENDENT AUDITORS' REPORT

***Wade J. Bowden & Company, CPAs, P.C.***