

SECURITIES AND EXCHANGE COMMISSION

FORM X-17A-5

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

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FILER

**TRUSTCORE INVESTMENTS, INC.**

CIK:[748837](#) | IRS No.: [621209295](#) | State of Incorp.: **TN** | Fiscal Year End: **1231**  
Type: **X-17A-5** | Act: **34** | File No.: [008-32152](#) | Film No.: **13014798**

Mailing Address

*105 WESTWOOD PLACE  
SUITE 400  
BRENTWOOD TN  
37027-1015*

Business Address

*105 WESTWOOD PLACE  
SUITE 400  
BRENTWOOD TN  
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615-377-1177*



13014798

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

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SECURITIES AND EXCHANGE COMMISSION  
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Information Required

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

SEC FILE NUMBER  
8- 32152

FACING PAGE  
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: **TrustCore Investments, Inc.**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY  
FIRM I.D. NO.

105 Westwood Place, Suite 400

(No. and Street)

Brentwood

(City)

TN

(State)

37027

(Zip Code)

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

Darryl L. Edmonds

(615) 377-1177

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Maggart & Associates, P.C.

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

150 Fourth Avenue, North  
Suite 2150

(Address)

Nashville

(City)

Tennessee

(State)

37219

(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)

SEC 1410 (06-02)

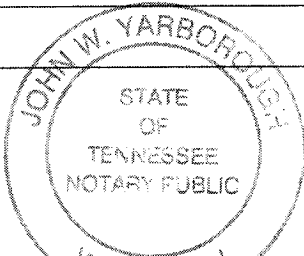
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OATH OR AFFIRMATION

I, Darryl L. Edmonds, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TrustCore Investments, 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:



[Signature]

Signature

Secretary

Title

[Signature]  
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. **Statement of Cash Flows**
- (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).

**SEC  
Mail Processing  
Section**

**MAR 04 2013**

**Washington, DC  
101**

**TRUSTCORE INVESTMENTS, INC.  
(a wholly-owned subsidiary of TrustCore Financial, Inc.)**

**Financial Statements and Supplementary Data**

**December 31, 2012**

**(With Independent Auditor's Report Thereon)**

**MAGGART & ASSOCIATES, P.C.**  
*CERTIFIED PUBLIC ACCOUNTANTS*  
NASHVILLE, TENNESSEE

**TRUSTCORE INVESTMENTS, INC.**  
**(a wholly-owned subsidiary of TrustCore Financial, Inc.)**

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# MAGGART & ASSOCIATES, P.C.

*Certified Public Accountants*

*A Tennessee Professional Corporation*

150 FOURTH AVENUE, NORTH

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*M. Todd Maggart, CPA, ABV, CFF*

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## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
TrustCore Investments, Inc.  
(a wholly-owned subsidiary of TrustCore Financial, Inc.)  
Brentwood, Tennessee

### **Report on the Financial Statements**

We have audited the accompanying statement of financial condition of TrustCore Investments, Inc. (a wholly-owned subsidiary of TrustCore Financial, Inc.) as of December 31, 2012, 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 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.

To The Board of Directors  
TrustCore Investments, Inc.  
(a wholly-owned subsidiary of TrustCore Financial, Inc.)  
Page Two

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TrustCore Investments, Inc. (a wholly-owned subsidiary of TrustCore Financial, Inc.) at 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 Schedules 1 through 6 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 Schedules 1 through 6 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 Schedules 1 through 6 is fairly stated in all material respects in relation to the financial statements as a whole.

*Maggart & Associates, P.C.*

Nashville, Tennessee  
February 28, 2013

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Statement of Financial Condition**

**December 31, 2012**

Assets

Cash	\$ 108,886
Deposit with clearing organization	50,000
Receivable from fund companies and clearing organization	119,278
Prepaid expenses	<u>107,606</u>
 Total assets	 <u>\$ 385,770</u>

Liabilities and Stockholder's Equity

Liabilities:

Payable to registered representatives	\$ 145,221
Due to parent company	9,613
Income taxes payable	<u>2,460</u>
Total liabilities	<u>157,294</u>

Stockholder's equity:

Common stock (no par value). Authorized 2,000 shares, issued and outstanding 10 shares	1,000
Additional paid-in capital	7,325
Retained earnings	<u>220,151</u>
Total stockholder's equity	<u>228,476</u>

Total liabilities and stockholder's equity \$ 385,770

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



**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Statement of Income**

**For the Year Ended December 31, 2012**

Revenues:	
Commissions	\$ 1,751,345
Interest and dividends	<u>9,441</u>
Total revenues	<u>1,760,786</u>
Operating expenses:	
Commission expense	1,075,866
Clearance fees	29,499
Salaries and benefits	420,315
Insurance	87,004
Interest expense	1,809
Professional fees	19,132
Communications and data processing	32,589
Taxes and licenses	10,794
Office expense	<u>49,383</u>
Total operating expenses	<u>1,726,391</u>
Income before provision for income taxes	34,395
Provision for income taxes	<u>17,512</u>
Net income	<u>\$ 16,883</u>

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

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Statement of Changes in Stockholder's Equity**

**For the Year Ended December 31, 2012**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
Balance at December 31, 2011	\$ 1,000	7,325	203,268	211,593
Net income	<u>-</u>	<u>-</u>	<u>16,883</u>	<u>16,883</u>
Balance at December 31, 2012	<u>\$ 1,000</u>	<u>7,325</u>	<u>220,151</u>	<u>228,476</u>

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

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

***Statement of Changes in Liabilities Subordinated  
To Claims of General Creditors***

***For the Year Ended December 31, 2012***

Subordinated liabilities at beginning and end of year

\$ -

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

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Statement of Cash Flows**

**For the Year Ended December 31, 2012**

**Increase (Decrease) in Cash and Cash Equivalents**

Cash flows from operating activities:		
Net income		\$ 16,883
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Increase in receivable from fund companies and clearing organization	\$ (39,172)	
Increase in prepaid expenses	(22,635)	
Increase in payable to registered representatives	40,603	
Decrease in income taxes payable	<u>(11,667)</u>	
Total adjustments		<u>(32,871)</u>
Net cash used in operating activities		(15,988)
Cash flows from investing activities:		
Decrease in due from parent company	<u>15,438</u>	
Net cash provided by investing activities		15,438
Cash flows from financing activities:		
Increase in due to parent company	<u>9,613</u>	
Net cash provided by financing activities		<u>9,613</u>
Net increase in cash and cash equivalents		9,063
Cash and cash equivalents at beginning of year		<u>99,823</u>
Cash and cash equivalents at end of year		<u>\$ 108,886</u>

**Supplemental Disclosure of Cash Flow Information:**

Cash paid in current year for:		
Interest		<u>\$ 1,809</u>
Income taxes		<u>\$ 29,179</u>

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

EATHERLY HOLDINGS, INC. AND SUBSIDIARIES

*Notes to Financial Statements*

*December 31, 2012*

(1) **Organization**

TrustCore Investments, Inc. (the "Company") is a wholly-owned subsidiary of TrustCore Financial, Inc. and is engaged in the securities business. The Company is a broker-dealer which sells general securities on a fully disclosed basis through a clearing broker, direct participation programs and variable contracts on a "best efforts" and subscription basis, and mutual funds with all orders cleared through the sponsoring institution. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA").

(2) **Summary of Significant Accounting Policies**

(a) **Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Company considers all cash and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Company places its cash and cash equivalents with financial institutions management considers to be of a high quality. There were no bank deposits in excess of the federally insured limits at December 31, 2012.

(b) **Revenue Recognition**

The financial statements are prepared on the accrual basis. The Company recognizes commission income on a trade date basis.

(c) **Income Taxes**

The Company files consolidated federal and state income tax returns with its parent company and other subsidiaries. The policy of the Company's parent is to charge or credit the Company with an amount equivalent to federal and state income taxes or benefit on a separate return basis. The consolidated federal and state income tax returns associated with the Company's parent for 2012, 2011, 2010 and 2009 are subject to examination by the federal and state tax authorities generally for three years after they were filed.

(d) **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Notes to Financial Statements, Continued**

**December 31, 2012**

**(2) Summary of Significant Accounting Policies, Continued**

**(e) Advertising Costs**

Advertising costs are expensed as incurred.

**(f) Fair Value of Financial Instruments**

Accounting Standards Codification No. 823, "Financial Instruments", requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate that value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced sale or liquidation. The carrying amounts of the Company's short-term financial instruments approximate fair value due to the relatively short maturity period for these instruments.

**(3) Net Capital Requirements and Other Restrictions**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1) which requires the maintenance of minimum capital equal to \$50,000. At December 31, 2012, the Company had net capital as defined of \$103,640.

The Company maintains an agreement for clearing services with a clearing broker registered with the Securities and Exchange Commission. In accordance with the agreement between these parties, a \$50,000 cash balance is maintained with the clearing broker and is reflected as deposit with clearing organization in the statement of financial condition. In addition, the clearing agreement established a minimum capital requirement of \$100,000 to be maintained by the Company.

**(4) Due To Parent Company**

The advances of \$9,613 at December 31, 2012 represent unsecured non-interest bearing advances provided by its 100% shareholder. The account is used for clearing of expense allocation between the Company and its affiliates.

**(5) Related Party Transactions**

Substantially all expenses of the Company, except commission expense and clearing charges represent allocations of such expenses from its parent company. The allocation is determined through an established expense sharing agreement between the Company and the parent company. Expenses allocated to the Company for the year ended December 31, 2012, were approximately \$520,000. Included within the current year allocation associated with salaries and benefits is an amount of \$143,010 that represents salaries of the parent company's directors. Current year advertising costs of \$7,532, as allocated to the Company, were included in the expense category of office expense.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Notes to Financial Statements, Continued**

**December 31, 2012**

**(5) Related Party Transactions, Continued**

During the year ended December 31, 2005, the Company and its affiliates relocated their operations to a new expanded office facility. In conjunction with this move, the parent company entered into a sublease agreement for this office facility from August, 2005 through December, 2013. Lease payments under this agreement began on January, 2006 with the remaining required lease obligation payable as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2013	<u>\$ 372,491</u>

In addition, on May 11, 2009, the parent company entered into a line of credit note agreement with a financial institution. Proceeds from the line of credit were used to pay off a previously existing promissory note with the same financial institution. Under the terms of the line of credit agreement, the parent company may borrow up to a principal amount of \$1,000,000. Effective August 13, 2010, the line of credit note was renewed and established a revised principal amount of \$500,000 against which the parent company may borrow. The maturity date of the line of credit agreement is December 1, 2013. Interest on the line of credit is due monthly based on the outstanding principal at a variable rate determined by the financial institution. The underlying promissory note associated with the line of credit is unsecured. However, the parent company directors serve as guarantors of the obligation. As of December 31, 2012, the outstanding principal balance on the parent company's line of credit was \$100,000. The effective interest rate at December 31, 2012 was 3.75%.

The Company shares in the rental obligation and note payable interest charges through the parent company's allocation of expenses. Rental expense of \$71,100, associated with the sublease agreement was allocated to the Company during 2012, net of a related amount of \$104,392 allocated to registered representatives, and is included within office expense. Interest of \$1,809 associated with the promissory note and line of credit agreements, was allocated during 2012 and is reflected as interest expense.

**(6) Provision for Income Taxes**

The provision for income taxes at December 31, 2012 consists of the following:

Federal income tax provision	\$ 13,747
State income tax provision	<u>3,765</u>
Total income tax provision	<u>\$ 17,512</u>

This provision is derived from the current year taxable income from operations after adjustment for certain non-deductible expenses multiplied by the anticipated federal and state effective income tax rates.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Notes to Financial Statements, Continued**

**December 31, 2012**

**(7) Receivable from Fund Companies and Clearing Organization and Payable to Registered Representatives**

Amounts receivable from fund companies and clearing organization and payable to registered representatives at December 31, 2012, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Fees and commissions receivable/payable	\$ <u>119,278</u>	<u>145,221</u>

**(8) Legal**

The Company, from time to time, may be involved in litigation, disputes and claims arising in the ordinary course of business. These matters arise from a variety of sources including the day-to-day operations of the business, governmental compliance and contracts/agreements related to its customers and vendors. There were no matters outstanding as of December 31, 2012, that were known to management.

**(9) Exemption of SEC Rule 15c3-3 Reserve Requirement**

The Company is exempt from the provisions of SEC Rule 15c3-3, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

**(10) Subsequent Events**

Management has evaluated subsequent events through February 28, 2013, the date which the financial statements were available to be issued.



**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission**

*As of December 31, 2012*

Total stockholder's equity	\$ 228,476
Deduct stockholder's equity not allowable for net capital	<u>(4,000)</u>
Total stockholder's equity qualified for net capital	<u>224,476</u>
Less nonallowable assets and haircuts:	
Receivable from fund companies and clearing organization, outstanding greater than 30 days	83,360
Prepaid expenses	37,466
Haircuts	<u>10</u>
Total nonallowable assets and haircuts	<u>120,836</u>
Net capital	103,640
Net capital required	<u>50,000</u>
Excess net capital	<u>\$ 53,640</u>
Aggregate indebtedness as included in the Statement of Financial Condition:	
Payable to registered representatives	\$ 145,221
Due to parent company	9,613
Income taxes payable	<u>2,460</u>
Total aggregate indebtedness	<u>\$ 157,294</u>
Ratio of aggregate indebtedness to net capital	<u>151.77%</u>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2012):	
Net capital, as reported in Company's Part II (unaudited) Focus Report	\$ 114,712
Effect of audit adjustments	6,488
Effect of increase in non-allowable assets	<u>(17,560)</u>
Net capital, per December 31, 2012 audit report	<u>\$ 103,640(a)</u>

(a) The Company's (unaudited) Focus Report for the period ended December 31, 2012 was subsequently amended on February 27, 2013 to reflect the net capital per the December 31, 2012 audit report of \$103,640.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Computation for Determination of  
Reserve Requirements Under Rule 15c3-3  
of the Securities and Exchange Commission**

*As of December 31, 2012*

The Company is exempt from the requirements of Rule 15c3-3 under Section K(2) (ii) of the Rule.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

*Information Relating to Possession or  
Control Requirements Under Rule 15c3-3  
of the Securities and Exchange Commission*

*As of December 31, 2012*

The Company is exempt from the requirements of Rule 15c3-3 under Section K(2) (ii) of the Rule.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**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**

**December 31, 2012**

A reconciliation of the net capital computed on Schedule 1 with the computation of net capital on the December 31, 2012 FOCUS Report - Part IIA, as originally submitted, is shown below:

Net capital as reported on the Company's FOCUS Report - Part IIA (unaudited) at December 31, 2012	\$ 114,712
Audit adjustment to correct amounts due from registered representatives	11,415
Audit adjustment to record additional clearing charges due from registered representatives	(7,683)
Audit adjustment to correct commission payable to registered representatives	6,289
Audit adjustment associated with revision for income taxes	(3,533)
Increase in non-allowable assets associated with audit adjustments	<u>(17,560)</u>
Net capital as computed on Schedule 1	<u>\$ 103,640(a)</u>

(a) As indicated at Schedule 1 the Company's (unaudited) FOCUS Report for the period ended December 31, 2012 was subsequently amended on February 27, 2012 to reflect the net capital per the December 31, 2012 audit report of \$103,640.

The Company is exempt from the requirements of Rule 15c3-3 under Section K(2)(ii) of the Rule.

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

***Reconciliation Between the Audited and Unaudited  
Statements of Financial Condition with Respect  
to Methods of Consolidation***

*December 31, 2012*

Not Applicable

**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

***Material Inadequacies Found to Exist or Found  
to Have Existed Since the Date of the Previous Audit***

*December 31, 2012*

None

# MAGGART & ASSOCIATES, P.C.

*Certified Public Accountants*

*A Tennessee Professional Corporation*

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SUITE 2150

NASHVILLE, TENNESSEE 37219-2417

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*P. Jason Ricciardi, CPA*

*David B. von Dahlen, CPA*

*T. Keith Wilson, CPA, CITP*

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**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES RELATED**  
**TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To The Board of Directors  
TrustCore Investments, Inc.  
(a wholly-owned subsidiary of TrustCore Financial, Inc.)  
Brentwood, Tennessee

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 [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by TrustCore 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 TrustCore Investments, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). TrustCore Investments, Inc.'s management is responsible for the TrustCore Investments, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries dated July 26, 2012 and January 31, 2013 noting no differences, except as described on the accompanying schedule;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting no differences;
3. No adjustments were reported in Form SIPC-7; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 without any adjustments, noting no differences.

To The Board of Directors  
TrustCore Investments, Inc.  
(a wholly-owned subsidiary of TrustCore Financial, Inc.)  
Page Two

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.

*Maggart & Associates, P.C.*

Nashville, Tennessee  
February 28, 2013



**TRUSTCORE INVESTMENTS, INC.**  
*(a wholly-owned subsidiary of TrustCore Financial, Inc.)*

**Schedule of Assessment and Payments**  
**[General Assessment Reconciliation (Form SIPC-7)]**

**December 31, 2012**

Total revenue (for the year ended December 31, 2012)		\$ 1,760,786
Additions		-
Deductions		-
		-
SIPC net operating revenues		<u>\$ 1,760,786</u>
General SIPC assessment for the year ended December 31, 2012		\$ 4,402
Less payments applied to the assessment (excluding interest):		

<u>Payment Date</u>		<u>Payment Amount</u>	
July 26, 2012	(Form SIPC-6)	\$ 2,129	(a)
January 31, 2013	(Form SIPC-7)	<u>2,273</u>	
			<u>4,402</u>
			<u>\$ -</u>

(a) Payment made upon submission of 2012 SIPC-6 filing on July 26, 2012 instead of on July 22, 2012 as indicated on 2012 SIPC-7.