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

Amendment No. 1 to
FORM 10-K/A

(Mark One)
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________________________ to ____________________

Commission File Number 000-52015

WESTERN CAPITAL RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Minnesota	**47-0848102**
(State of incorporation)	(I.R.S. Employer Identification No.)
11550 “I” Street, Suite 150	
Omaha, Nebraska	**68137**
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (402) 551-8888

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
None	N/A

Securities registered pursuant to Section 12(g) of the Act: Common Stock, no par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “accelerated filer,” large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The aggregate market value of the voting stock held by persons other than officers, directors and more than 5% shareholders of the registrant as of June 30, 2014 was approximately $541,000 based on the closing sales price of $3.00 per share as reported on the OTCQB. As of August 14, 2015, there were 9,497,588 shares of our common stock, no par value per share, outstanding.

DOCUMENTS INCORPORATED IN PART BY REFERENCE

None.

Note of Explanation

This Amendment No. 1 to Annual Report on Form 10-K is being filed to add the audit report of Tanner LLC, the independent registered public accounting firm on which KLJ & Associates, LLP, the principal auditor of Western Capital Resources, Inc., relied with respect to the financial statements of AlphaGraphics, Inc., a majority owned subsidiary of Western Capital Resources, Inc. The audit report of Tanner LLC is included in this Amendment in Part II, Item 8, below, and corresponding edits were made to the table of Financial Statements in Part IV, Item 15.

PART II

ITEM 8 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

INDEX OF FINANCIAL INFORMATION

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Western Capital Resources, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Western Capital Resources, Inc. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, shareholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of AlphaGraphics, Inc. a majority owned subsidiary which statements reflect total assets and revenues constituting 27 percent and 8 percent, respectively, of the consolidated total. Those statements were audited by other auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts included for AlphaGraphics, Inc., is based solely on the report of other auditors.

We conducted our audits 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 was not required to have, nor were we engaged to perform, audits of its internal control over financial reporting. Our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, based upon our audits and the report of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Western Capital Resources, Inc. and subsidiaries as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the years ended December 31, 2014 and 2013 in conformity with accounting principles generally accepted in the United States of America.

/s/ KLJ & Associates, LLP

KLJ & Associates, LLP
St. Louis Park, MN
March 31, 2015

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TANNER
BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

Member of PKF North America

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
AlphaGraphics, Inc.

We have audited the accompanying balance sheet of AlphaGraphics, Inc. (the Company) as of December 31, 2014, and the related statements of income, stockholders' equity, and cash flows for the period from October 1, 2014 through December 31, 2014. 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 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 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 AlphaGraphics, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the period from October 1, 2014 through December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

Tanner LLC

February 19, 2015

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash	$ 4,273,350	$ 1,983,835
Loans receivable (less allowance for losses of $1,219,000 and $1,215,000, respectively)	5,331,266	5,438,202
Accounts receivable (less allowance for losses of $59,405 and $0, respectively)	1,135,127	-
Inventory	2,340,824	1,557,886
Prepaid expenses and other	1,435,918	889,590
Deferred income taxes	644,000	498,000
TOTAL CURRENT ASSETS	15,160,485	10,367,513
PROPERTY AND EQUIPMENT, net	1,197,710	928,074
GOODWILL	12,956,868	12,894,069
INTANGIBLE ASSETS, net	7,248,793	117,096
OTHER	198,408	132,333
TOTAL ASSETS	$ 36,762,264	$ 24,439,085
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 6,025,920	$ 2,910,560
Income taxes payable	755,615	-
Current portion long-term debt	3,500,000	2,750,000
Current portion capital lease obligations	42,240	-
Deferred revenue and other	638,068	296,503
TOTAL CURRENT LIABILITIES	10,961,843	5,957,063
LONG-TERM LIABILITIES		
Notes payable, net of current portion	1,625,000	-
Capital lease obligations, net of current portion	31,481	-
Deferred income taxes	3,939,000	1,156,000
Other	114,514	-
TOTAL LONG-TERM LIABILITIES	5,709,995	1,156,000
TOTAL LIABILITIES	16,671,838	7,113,063
COMMITMENTS AND CONTINGENCIES (Note 15)		
EQUITY		
WESTERN SHAREHOLDERS' EQUITY		
Common stock, no par value, 12,500,000 shares authorized, 5,997,588 and 3,011,009 issued and outstanding.	-	-
Additional paid-in capital	22,703,745	22,353,600
Accumulated deficit	(2,621,692)	(5,027,578)
TOTAL WESTERN SHAREHOLDERS' EQUITY	20,082,053	17,326,022
NONCONTROLLING INTERESTS	8,373	-
TOTAL EQUITY	20,090,426	17,326,022
TOTAL LIABILITIES AND EQUITY	$ 36,762,264	$ 24,439,085

See notes to consolidated financial statements.

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year ended December 31, 2014	2013
REVENUES		
Retail sales and associated fees	$ 22,535,116	$ 17,508,586
Financing fees and interest	11,123,882	11,278,639
Royalty and franchise fees, net	2,814,273	-
Other revenue	4,286,282	4,101,971
	40,759,553	32,889,196
COST OF REVENUES		
Cost of goods sold	12,714,413	10,267,778
Provisions for loans receivable losses	1,817,822	1,859,461
Other	168,952	-
	14,701,187	12,127,239
GROSS PROFIT	26,058,366	20,761,957
OPERATING EXPENSES		
Salaries, wages and benefits	11,593,794	9,531,969
Occupancy	4,610,807	4,086,109
Advertising and development	478,261	345,937
Depreciation	368,827	377,435
Amortization	187,669	143,295
Other	4,547,955	3,340,421
	21,787,313	17,825,166
OPERATING INCOME	4,271,053	2,936,791
OTHER INCOME (EXPENSES):		
Interest income	1,807	-
Interest expense	(315,568)	(332,247)
	(313,761)	(332,247)
INCOME BEFORE INCOME TAXES	3,957,292	2,604,544
INCOME TAX EXPENSE	1,545,860	985,000
NET INCOME	2,411,432	1,619,544
Less net income attributable to noncontrolling interests	(5,546)	-
NET INCOME ATTRIBUTABLE TO WESTERN SHAREHOLDERS	$ 2,405,886	$ 1,619,544
EARNINGS PER SHARE ATTRIBUTABLE TO WESTERN COMMON SHAREHOLDERS		
Basic and diluted	$ 0.64	$ 0.54
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic and diluted	3,763,726	3,012,249

See notes to consolidated financial statements.

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

		Western Capital Resources, Inc. Shareholders				
		Common Stock		Additional Paid-In	Accumulated	Non-controlling
	Total	Shares	Amount	Capital	Deficit	Interests
BALANCE - December 31, 2012	$ 15,724,240	3,019,890	$ -	$ 22,371,362	$ (6,647,122)	$ -
Net income	1,619,544	-	-	-	1,619,544	-
Common Stock Redeemed and Retired	(17,762)	(8,881)	-	(17,762)	-	-
BALANCE – December 31, 2013	17,326,022	3,011,009	-	22,353,600	(5,027,578)	-
Fractional shares repurchased	(388)	(244)	-	(388)	-	-
Shares of common stock issued October 1, 2014 for AlphaGraphics entities acquisition	357,392	2,986,823	-	350,533	-	6,859
Net income	2,411,432	-	-	-	2,405,886	5,546
Distributions made by subsidiary to noncontrolling interests	(4,032)	-	-	-	-	(4,032)
BALANCE – December 31, 2014	$ 20,090,426	5,997,588	$ -	$ 22,703,745	$ (2,621,692)	$ 8,373

See notes to consolidated financial statements.

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2014	**2013**
OPERATING ACTIVITIES		
Net Income	$ 2,411,432	$ 1,619,544
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	368,827	377,435
Amortization	187,669	143,295
Deferred income taxes	349,000	271,000
Loss on disposal of property and equipment	14,088	-
Changes in operating assets and liabilities:		
Loans receivable	106,936	(353,692)
Accounts receivable	91,633	-
Inventory	(761,957)	(473,376)
Prepaid expenses and other assets	(424,072)	(408,693)
Note receivable from related party (Note 15)	636,196	-
Accounts payable and accrued liabilities	1,478,484	(210,876)
Deferred revenue and other current liabilities	(12,497)	
Accrued liabilities and other	(30,446)	3,209
Net cash provided by operating activities	4,415,293	967,846
INVESTING ACTIVITIES		
Purchases of property and equipment	(237,161)	(454,640)
Purchase of intangible assets	(250,000)	-
Cash received through acquisition	168,254	-
Acquisition of stores, net of cash acquired	(166,800)	(143,000)
Net cash used by investing activities	(485,707)	(597,640)
FINANCING ACTIVITIES		
Payments on notes payable – short-term	-	(405,163)
Payments on notes payable – long-term	(1,625,000)	(210,065)
Common stock redemption	(388)	(17,762)
Payments on capital leases	(10,651)	-
Subsidiary dividends to noncontrolling interests	(4,032)	-
Net cash used by financing activities	(1,640,071)	(632,990)
NET INCREASE (DECREASE) IN CASH	2,289,515	(262,784)
CASH		
Beginning of year	1,983,835	2,246,619
End of year	$ 4,273,350	$ 1,983,835
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income taxes paid	$ 449,972	$ 815,296
Interest paid	$ 312,817	$ 331,236
Noncash investing and financing activities:		
Shares issued and net assets acquired in AlphaGraphics entities acquisition	$ 350,533	$ -
Receivable from sale of intangible asset	$ 10,000	$ -

See notes to consolidated financial statements.

1. Basis of Presentation, Nature of Business and Summary of Significant Accounting Policies –

Basis of Presentation / Nature of Business

References in these financial statements notes to "Company" or "we" refer to Western Capital Resources, Inc. and its subsidiaries. References to specific companies within our enterprise, such "PQH" or "AGI," are references only to those companies. Western Capital Resources, Inc. (WCR) is a holding company owning operating subsidiaries, with percentage owned shown parenthetically, as summarized below.

- Franchise
  - AlphaGraphics, Inc. (AGI) (99.2% – Acquired October 1, 2014) – franchisor of 242 domestic and 32 international AlphaGraphics Business Centers which specialize in the planning, production, and management of visual communications for businesses and individuals throughout the world.

- Cellular Retail
  - PQH Wireless, Inc. (PQH) (100%) – owns and operates cellular retail stores (61 as of December 31, 2014), as an exclusive dealer of the Cricket brand, in 15 states–Arizona, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Ohio, Oklahoma, Oregon, Texas, Washington, and Wisconsin.

- Consumer Finance
  - Wyoming Financial Lenders, Inc. (WFL) (100%) – owns and operates "payday" stores (50 as of December 31, 2014) in nine states (Colorado, Iowa, Kansas, Nebraska, North Dakota, South Dakota, Utah, Wisconsin and Wyoming) providing sub-prime short-term uncollateralized non-recourse "cash advance" or "payday" loans typically ranging from $100 to $500 with a maturity of generally two to four weeks, sub-prime short-term uncollateralized non-recourse installment loans typically ranging from $300 to $800 with a maturity of six months, check cashing and other money services to individuals.

  - Express Pawn, Inc. (EPI) (100%) – owns and operates retail pawn stores (three as of December 31, 2014) in Nebraska and Iowa providing collateralized non-recourse pawn loans and retail sales of merchandise obtained from forfeited pawn loans or purchased from customers.

Basis of Consolidation

The consolidated financial statements include the accounts of the WCR, its wholly owned subsidiaries and other entities in which the Company owns a controlling financial interest. For financial interests in which the Company owns a controlling financial interest, the Company applies the provisions of SFAS 160 which are applicable to reporting the equity and net income or loss attributable to noncontrolling interests. All significant intercompany balances and transactions of the Company have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Significant management estimates relate to the notes and loans receivable allowance, carrying value and impairment of long-lived goodwill and intangible assets, inventory valuation and obsolescence, estimated useful lives of property and equipment, and deferred taxes and tax uncertainties.

Revenue Recognition

Franchise

Royalty revenues from franchisees are primarily based on a percentage of business center sales and are recognized in the period in which they are earned. Initial franchise fee revenues are recognized when the obligations required by the franchise agreement have been substantially performed by AGI, which is generally upon the training of the franchisee. Revenues from area development franchise fees and International Master License Agreement (IML) fees are recognized when the obligations required by the area development and IML agreements have been substantially performed.

Supply sales, service fees and other revenues are recognized when products have been shipped or services provided.

Cellular Retail

Sales revenue for sales of phones and accessories and dealer compensation for related activations is recognized in the period in which the sale is completed (retail sales and associated fees). Service fees are recognized upon completion of the service and payment received. Other dealer compensation not attributed to phone activations is recorded in the period earned as reported to us by Cricket Wireless. All sales are presented net of sales taxes, which are excluded from revenue.

Consumer Finance

Loan fees and interest on cash advance loans are recognized on a constant-yield basis ratably over a loan's term. Title and installment loan fees and interest are recognized using the interest method, except that installment loan origination fees are recognized as they become non-refundable and installment loan maintenance fees are recognized when earned. The Company recognizes fees on pawn loans on a constant-yield basis ratably over the loans' terms. No fees are recognized on forfeited pawn loans.

Receivables and Loss Allowance

Franchise

Accounts receivable are recorded for earned but uncollected royalties and other related franchise fees. Allowances are provided on an account-by-account basis for estimated uncollectible accounts as deemed necessary by management. The Company considers current economic trends and changes in payment terms when evaluating the adequacy of the allowance.

Consumer Finance

Included in loans receivable are unpaid principal, interest and fee balances of payday, installment, pawn and title loans that have not reached their maturity date, and "late" payday loans that have reached maturity within the last 180 days and have remaining outstanding balances. Late payday loans generally are unpaid loans where a customer's personal check has been deposited and the check has been returned due to non-sufficient funds in the customer's account, a closed account, or other reasons. All returned items are charged-off after 180 days, as collections after that date have not been significant. Loans are carried at cost plus accrued interest or fees less payments made and a loans receivable allowance.

The Company does not specifically reserve for any individual payday, installment or title loan. The Company aggregates loan types for purposes of estimating the loss allowance using a methodology that analyzes historical portfolio statistics and management's judgment regarding recent trends noted in the portfolio. This methodology takes into account several factors, including (1) the amount of loan principal, interest and fee outstanding, (2) historical charge offs from loans that originated during the last 24 months, (3) current and expected collection patterns and (4) current economic trends. The Company utilizes a software program to assist with the tracking of its historical portfolio statistics. A loan loss allowance is maintained for anticipated losses for payday and installment loans based primarily on our historical percentages by loan type of net charge offs, applied against the applicable balance of loan principal, interest and fees outstanding. The Company also periodically performs a look-back analysis on its loan loss allowance to verify the historical allowance established tracks with the actual subsequent loan write-offs and recoveries. The Company is aware that as conditions change, it may also need to make additional allowances in future periods. Loan losses or charge-offs of pawn or title loans are not recorded because the value of the collateral exceeds the loan amount.

Inventory

Cellular Retail

Inventory, consisting of phones and accessories, is stated at cost, determined on the specific identification and a first-in, first-out basis, respectively.

Consumer Finance

Merchandise inventory is stated at the lower of cost or market where the principal amount of an unpaid loan becomes the inventory cost of the forfeited collateral.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the related assets. Useful lives generally range from five to seven years for furniture, equipment, and vehicles. Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful lives of the related assets or the leases term, and this amortization is included with depreciation.

Included in property and equipment is the cost of software developed or acquired for internal use. These costs are amortized over the estimated useful life of the software.

Goodwill

Goodwill represents the excess of cost over the fair value of net assets acquired using purchase accounting and is not amortized.

Intangible Assets

Intangible assets represent the fair values management assigned to assets acquired through business acquisitions and is amortized over periods of three to 15 years based on management’s estimates of the useful life of the asset.

Long-Lived Assets

The Company assesses the possibility of impairment of long-lived and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that could trigger an impairment review include significant underperformance relative to expected historical or projected future cash flows, significant changes in the manner of use of acquired assets or the strategy for the overall business, and significant negative industry events or trends. In addition, the Company conducts an annual goodwill impairment test as of October 1 each year. The Company assesses goodwill for impairment at the reporting unit level by applying a fair value test. This fair value test involves a two-step process. The first step is to compare the carrying value of our net assets to our fair value. If the fair value is determined to be less than the carrying value, a second step is performed to measure the amount of the impairment, if any.

Due to the minimal amount of public float for the Company’s common stock, the market capitalization approach of valuing the reporting unit as a whole is not practical. The discounted future cash flows method is utilized in estimating value. When estimated future cash flows are less than the carrying value of the net assets and related goodwill, an impairment test is performed to measure and recognize the amount of the impairment loss, if any. There were no impairment charges recorded in 2014 or 2013.

Advertising, Marketing and Development Costs

Franchise

The costs of advertising, marketing and development are expenses as incurred. Certain amounts received from franchisees for advertising, marketing and development campaigns benefiting the franchisees are held in a fund. AGI controls the manner in which these funds are spent. In addition to advertising, marketing and development expenses, fund expenses include general operating expenses such as reasonable salaries, travel related expenditures, administrative expenses, and overhead incurred by AGI on behalf of the fund. Amounts in the fund and the related revenues and exprensses are not reflected in the accompanying consolidated financial statements. AGI may spend in any fiscal year an amount greater or less than the aggregate contributions made by the franchisees to the fund. As of December 31, 2014, AGI had accounts payable of approximately $275,000 to the fund, and these are included in accounts payable in the accompanying consolidated balance sheet.

Consumer Finance

The costs of advertising and marketing are expenses as incurred.

Income Taxes

Deferred income taxes reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts, based on enacted tax laws and statutory tax rates applicable in the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. The provision for income taxes represents taxes paid or payable for the current year and changes during the year in deferred tax assets and liabilities.

Net Income Per Common Share

Basic net income per common share is computed by dividing the income available to common shareholders by the weighted average number of common shares outstanding for the year. Diluted net income per common share is computed by dividing the net income available to common shareholders' by the sum of the weighted average number of common shares outstanding plus potentially dilutive common share equivalents when dilutive. There were no dilutive common share as of December 31, 2014 and 2013.

Fair Value of Financial Instruments

The amounts reported in the balance sheets for cash, accounts and loans receivable, inventory, and accounts payable are short-term in nature and their carrying values approximate fair values. The amounts reported in the balance sheets for notes payable are both long-term and short-term and their carrying value approximates fair value.

Reclassifications

Certain Statement of Income reclassifications have been made in the presentation of our prior financial statements and accompanying notes to conform to the presentation as of and for the year ended December 31, 2014.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) jointly issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under US GAAP and IFRS. This converged standard is effective for annual and interim periods beginning after December 15, 2016. The Company is currently assessing the potential effects on our financial condition and results of operations and consolidated financial statements.

No other new accounting pronouncements issued or effective during the fiscal year have had or are expected to have a material impact on the consolidated financial statements.

2. Risks Inherent in the Operating Environment –

Regulatory

The Company's Consumer Finance segment activities are highly regulated under numerous local, state, and federal laws, regulations and rules, which are subject to change. New laws, regulations or rules could be enacted or issued, interpretations of existing laws, regulations or rules may change and enforcement action by regulatory agencies may intensify. Over the past several years, consumer advocacy groups and certain media reports have advocated governmental and regulatory action to prohibit or severely restrict sub-prime lending activities of the kind conducted by the Company. The federal Consumer Financial Protection Bureau has indicated that it will use its authority to further regulate the payday industry.

Any adverse change in present local, state, and federal laws or regulations that govern or otherwise affect lending could result in the Company's curtailment or cessation of operations in certain or all jurisdictions or locations. Furthermore, any failure to comply with any applicable local, state or federal laws or regulations could result in fines, litigation, closure of one or more store locations or negative publicity. Any such change or failure would have a corresponding impact on the Company's results of operations and financial condition, primarily through a decrease in revenues resulting from the cessation or curtailment of operations, decrease in operating income through increased legal expenditures or fines, and could also negatively affect the Company's general business prospects if the Company is unable to effectively replace such revenues in a timely and efficient manner or if negative publicity effects its ability to obtain additional financing as needed.

In addition, the passage of federal or state laws and regulations or changes in interpretations of them could, at any point, essentially prohibit the Company from conducting its lending business in its current form. Any such legal or regulatory change would certainly have a material and adverse effect on the Company, its operating results, financial condition and prospects, and perhaps even its viability.

Concentrations

The Company's subsidiaries each have demand deposits at financial institutions, often times in excess of the limit for insurance by the Federal Deposit Insurance Corporation. As of December 31, 2014, the Company had demand deposits in excess of insurance amounts of approximately $2,250,000.

Loans receivable are concentrated in the sub-prime market and geographically, primarily in the Midwest. For the years ended December 31, 2014 and 2013, the Consumer Finance segment also had economic and regulatory risk concentrations (shown as a percentage of applicable segment's revenue by state when 10% or more) as follows:

Consumer Finance Segment		
	2014 % of Revenues	**2013 % of Revenues**
Nebraska	30%	28%
North Dakota	18%	19%
Wyoming	14%	14%
Iowa	14%	12%

The Company's Wireless Retail segment is an exclusive dealer for Cricket. As a dealer operating exclusively for a single carrier, the Company is subject to a number of concentrations, including revenues from a single brand, a single supplier for phones, select operating system providers and third party processors. For the years ended December 31, 2014 and 2013, the Cellular Retail segment also had economic concentrations (shown as a percentage of applicable segment's revenue by state when 10% or more) as follows:

Cellular Retail Segment		
	2014 % of Revenues	**2013 % of Revenues**
Nebraska	28%	26%
Colorado	19%	11%
Texas	*	12%

* Denotes less than 10%

3. Loans Receivable –

At December 31, 2014 and December 31, 2013, the Company's outstanding loans receivable aging was as follows:

December 31, 2014

	Payday	Installment	Pawn & Title	Total
Current	$ 4,387,393	$ 321,634	$ 372,805	$ 5,081,832
1-30	305,382	47,321	-	352,703
31-60	223,465	24,791	-	248,256
61-90	236,072	11,799	-	247,871
91-120	206,705	5,438	-	212,143
121-150	200,101	1,984	-	202,085
151-180	204,804	572	-	205,376
	5,763,922	413,539	372,805	6,550,266
Less Allowance	(1,147,000)	(72,000)	-	(1,219,000)
	$ 4,616,922	$ 341,539	$ 372,805	$ 5,331,266

December 31, 2013

	Payday	Installment	Pawn & Title	Total
Current	$ 4,519,839	$ 408,782	$ 288,788	$ 5,217,409
1-30	271,967	56,807	-	328,774
31-60	202,097	31,212	-	233,309
61-90	217,154	17,285	-	234,439
91-120	206,885	8,660	-	215,545
121-150	199,253	2,846	-	202,099
151-180	218,802	2,825	-	221,627
	5,835,997	528,417	288,788	6,653,202
Less Allowance	(1,120,000)	(95,000)	-	(1,215,000)
	$ 4,715,997	$ 433,417	$ 288,788	5,438,202

4. Loans Receivable Allowance –

As a result of the Company's Consumer Finance segment's collection efforts, it historically writes off approximately 42% of the returned payday items, the most significant element making up accounts and loans receivable. Based on days past the check return date, write-offs of payday returned items historically have tracked at the following approximate percentages: 1 to 30 days – 42%; 31 to 60 days – 65%; 61 to 90 days – 83%; 91 to 120 days – 88%; and 121 to 180 days – 91%.

A rollforward of the Company's loans receivable allowance for the years ended December 31, 2014 and 2013 is as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Loans receivable allowance, beginning of period	$ 1,215,000	$ 1,191,000
Provision for loan losses charged to expense	1,817,822	1,859,461
Charge-offs, net	(1,813,822)	(1,835,461)
Loans receivable allowance, end of period	$ 1,219,000	$ 1,215,000

5. Property and Equipment –

Property and equipment consisted of the following:

	For the Year Ended December 31,	
	2014	**2013**
Furniture and equipment	$ 2,853,608	$ 1,571,152
Leasehold improvements	786,782	701,764
Software	539,513	17,322
Other	157,577	157,171
	4,337,480	2,447,409
Accumulated depreciation	(3,139,770)	(1,519,335)
	$ 1,197,710	$ 928,074

6. Intangible Assets –

Intangible assets consisted of the follows:

	For the Year Ended December 31,	
	2014	**2013**
Amortizable Intangible Assets:		
Customer relationships	$ 4,924,912	$ 4,627,412
Acquired franchisee agreements	5,227,112	-
Amortizable Intangible Assets, net	10,152,024	4,627,412
Less accumulated amortization	(5,685,523)	(4,510,316)
Net Amortizable Intangible Assets	4,466,501	117,096
Non-amortizable Trademarks	2,782,292	-
Intangible Assets, net	$ 7,248,793	$ 117,096

As of December 31, 2014, estimated future amortization expense for the amortizable intangible assets is as follows:

2015	$ 385,847
2016	377,174
2017	377,174
2018	377,174
2019	377,174
Thereafter	2,571,958
	$4,466,501

7. Deferred Revenue and Other Liabilities –

Deferred revenue and other liabilities consisted of the following:

	For the Year Ended December 31,	
	2014	**2013**
Deferred financing fees	$ 284,231	$ 296,503
Deferred franchise fees	281,837	-
Other	72,000	-
Total	$ 638,068	$ 296,503

8. Leases –

The Company had capital lease obligations related to its telephone system and computer equipment of $73,721 as of December 31, 2014, of which $42,240 was current. Amortization expense for assets held under capital leases is included in depreciation and amortization.

The Company leases retail and office facilities under operating leases with terms ranging from month to month to six years, with rights to extend for additional periods. Rent expense, inclusive of base rents and common area maintenance obligations, insurance and real estate tax reimbursements, on all operations was approximately $3,003,000 and $2,663,000 in 2014 and 2013, respectively. Future minimum lease payments are approximately as follows:

Year Ending December 31,	Operating Leases	Capital Leases
2015	$ 2,471,000	$ 47,554
2016	1,761,000	25,270
2017	1,222,000	7,964
2018	391,000	-
2019	159,000	-
thereafter	57,000	-
Total minimum lease payments	$ 6,061,000	80,788
Less: imputed interest		(7,067)
Present value of minimum lease payments		73,721
Less: current portion of capital lease obligations		(42,240)
Capital lease obligations, net of current portion		$ 31,481

9. Notes Payable – Long Term –

The Company's long-term debt is as follows:

	December 31, 2014	December 31, 2013
Note payable (with a credit limit of $3,000,000) to River City Equity, Inc., a related party (see Note 19), with interest payable monthly at 12% due June 30, 2015 and upon certain events can be collateralized by substantially all assets of WCR, excluding any equity interest in AGI	$ 2,000,000	$ 2,750,000
Subsidiary note payable to a financial institution with quarterly principal payments of $375,000 plus interest at prime rate plus 2.5% (5.75% as of December 31, 2014), secured by the AGI's assets, maturing June 2017	3,125,000	-
Total	5,125,000	2,750,000
Less current maturities	(3,500,000)	(2,750,000)
	$ 1,625,000	$ -

Future minimum long-term principal payments are as follows:

Year Ending December 31,	Amount
2015	$3,500,000
2016	1,500,000
2017	125,000
	$5,125,000

The Company's term note payable with a financial institution includes certain financial covenants. Management has determined that the Company was in compliance with these financial covenants as of December 31, 2014.

As part of the lending agreement, AGI may draw on a $1,000,000 line of credit (LOC). The LOC bears interest at the greater of (a) the prime rate plus 2.50% or (b) the LIBOR rate plus 5.50%. The LOC matures on August 30, 2017. AGI drew on the LOC but there is no amount outstanding as of December 31, 2014.

10. Income Taxes –

The Company's provision for income taxes is as follows:

	For the Year Ended December 31, 2014	2013
Current:		
Federal	$ 1,007,860	$ 600,000
State	181,000	114,000
Foreign	8,000	-
	1,196,860	714,000
Deferred:		
Federal	293,000	228,000
State	56,000	43,000
	349,000	271,000
	$ 1,545,860	$ 985,000

Deferred income tax assets (liabilities) are summarized as follows:

	For the Year Ended December 31, 2014		2013	
	Current	Non-Current	Current	Non-Current
Deferred income tax assets:				
Allowance for accounts and loans receivable	$ 521,000	$ -	$ 461,000	$ -
Accrued expenses	123,000	-	37,000	-
	644,000	-	498,000	-
Deferred income tax liabilities:				
Property and equipment	-	(306,000)	-	(206,000)
Goodwill and intangible assets	-	(3,867,000)	-	(950,000)
Net operating losses (expires 2031)	-	208,000	-	-
Capital loss carryforward (expires 2016)	-	21,000	-	-
Foreign tax credits	-	40,000	-	-
Valuation allowance	-	(35,000)	-	-
	-	(3,939,000)	-	(1,156,000)
Net	$ 644,000	$ (3,939,000)	$ 498,000	$ (1,156,000)

Reconciliations from the statutory federal income tax rate to the effective income tax rate are as follows:

	For the Year Ended December 31, 2014	2013
Income tax expense using the statutory federal rate	$ 1,345,000	$ 885,000
State income taxes, net of federal benefit	152,000	103,000
Other	49,000	(3,000)
Income tax expense	$ 1,546,000	$ 985,000

It is the Company's practice to recognize penalties and/or interest related to income tax matters in interest and penalties expense. As of December 31, 2014 and 2013, the Company had an immaterial amount of accrued interest and penalties.

The Company is subject to income taxes in the U.S. federal jurisdiction and various states and local jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Company is subject to routine audits by taxing jurisdictions. Currently the Company has a federal and state of Missouri audit in progress. Management believes the Company is no longer subject to income tax examinations for years prior to 2011.

11. Equity –

Capitalization

On May 30, 2014, the Company's Board of Directors approved a 1-for-20 reverse stock split. The reverse stock split became effective on June 20, 2014. The accompanying financial statements and notes have been adjusted retroactively to reflect the reverse stock split. As a result of the reverse stock split, the Company's adjusted authorized capital stock consists of 12,500,000 shares of no par value capital stock. All shares have equal voting rights and are entitled to one vote per share.

Common Stock Repurchases

In February 2013, the Company repurchased 8,881 shares of its common stock at $2 per share for a total repurchase cost of $17,762.

Common Stock Issued

As further explained in Note 13, after the close of business on September 30, 2014 WCR issued 2,986,823 shares of common stock for the acquisition of AlphaGraphics. This represented approximately 49.8% of the total issued and outstanding common stock of the Company after the issuance, which totaled 5,997,588 shares.

2008 Stock Incentive Plan

On February 2, 2008, the Board of Directors of the Company approved and adopted the Company's 2008 Stock Incentive Plan, pursuant to which an aggregated of 100,000 shares of common stock have been reserved for issuance. No options under this plan have been granted as of December 31, 2014.

Noncontrolling Interests

The Company owns 99.2% of the AlphaGraphics subsidiary.

12. Other Expenses –

A breakout of other expense is as follows:

	For the Year Ended December 31, 2014	2013
Bank fees	$ 473,632	$ 412,527
Collection costs	449,301	466,597
Insurance	305,935	206,040
Management and consulting fees	536,369	463,157
Professional fees	1,048,599	519,939
Supplies	637,730	539,216
Other	1,096,389	732,945
	$ 4,547,955	$ 3,340,421

13. Acquisition –

AlphaGraphics Merger Transaction

After the close of business on September 30, 2014, we acquired a 99.2% interest in the business of AlphaGraphics, Inc., a Delaware corporation, through a merger transaction governed by an Agreement and Plan of Merger dated August 29, 2014 (the "Merger Agreement"). As contemplated under the Merger Agreement, we issued an aggregate of 2,986,823 shares of our common stock, representing approximately 49.8% of our total issued and outstanding common stock immediately after the merger, to BC Alpha Holdings I, LLC, a Delaware limited liability company that had earlier owned the AlphaGraphics business.

The entities are affiliated entities under common control and in accordance with Accounting Standards Codification Topic 805, "Business Combinations," and Western Capital, as the acquirer, recognized the assets and liabilities of the AlphaGraphics entities at their historical values as of the date of merger as follows:

	October 1, 2014
Cash	$ 168,000
Receivables	1,227,000
Property and equipment	374,000
Intangible assets	7,016,000
Note receivable	636,000
Other assets	453,000
Accounts payable and accrued liabilities	(2,493,000)
Other liabilities	(506,000)
Note and lease obligations	(4,084,000)
Deferred tax liability	(2,434,000)
	357,000
Noncontrolling interests	(7,000)
	$ 350,000

The results of the operations for the acquired business have been included in the consolidated financial statements since the date of the acquisition. The following table presents the unaudited pro forma results of operations for the year ended December 31, 2014 and 2013, as if the acquisitions had been consummated at the beginning of 2013. The pro forma net income below excludes the expense of the transaction. The pro forma results of operations are prepared for comparative purposes only and do not necessarily reflect the results that would have occurred had the acquisition occurred at the beginning of the 2013 or the results which may occur in the future.

For the Year Ended December 31, 2014

	Franchise	Cellular Retail	Consumer Finance	Total
Pro forma revenue	$ 12,215,000	$ 24,706,000	$ 12,877,000	$ 49,798,000
Pro forma net income	$ 1,554,000	$ 719,000	$ 1,220,000	$ 3,493,000
Pro forma net income attributable to noncontrolling interests	$ (13,000)	$ -	$ -	$ (13,000)
Pro forma net income available to Western shareholders	$ 1,541,000	$ 719,000	$ 1,220,000	$ 3,480,000
Pro forma earnings per share available to Western common shareholders – basic and diluted	$ 0.26	$ 0.12	$ 0.20	$ 0.58

For the Year Ended December 31, 2013	Franchise	Cellular Retail	Consumer Finance	Total
Pro forma revenue	$ 11,975,000	$ 20,227,000	$ 12,662,000	$ 44,864,000
Pro forma net income	$ 1,428,000	$ 238,000	$ 1,541,000	$ 3,207,000
Pro forma net income attributable to noncontrolling interests	$ (12,000)	$ -	$ -	$ (12,000)
Pro forma net income available to Western shareholders	$ 1,416,000	$ 238,000	$ 1,541,000	$ 3,195,000
Pro forma earnings per share available to Western common shareholders – basic and diluted	$ 0.23	$ 0.04	$ 0.26	$ 0.53

14. Segment Information –

The Company has grouped its operations into three segments in 2014 and two segments in 2013 – Consumer Finance, Cellular Retail, and Franchise (October 1, 2014 through December 31, 2014). The Consumer Finance segment provides financial and ancillary services. The Cellular Retail segment is a dealer for Cricket Wireless selling cellular phones and accessories, ancillary services and serving as a payment center for customers. The Franchise segment offers franchise ownership opportunities for customized marketing solutions.

Segment information related to the years ended December 31, 2014 and 2013:

For the Year Ended December 31, 2014	Consumer Finance	Cellular Retail	Franchise	Total
Revenues	$ 12,876,559	$ 24,705,890	$ 3,177,104	$ 40,759,553
Depreciation and amortization	$ 117,766	$ 326,768	$ 111,962	$ 556,496
Interest expense	$ 61,823	$ 190,493	$ 63,252	$ 315,568
Income tax expense (benefit)	$ 720,000	$ 385,000	$ 440,860	$ 1,545,860
Net income (loss)	$ 1,136,875	$ 584,352	$ 690,205	$ 2,411,432
Total segment assets	$ 16,931,785	$ 9,776,975	$ 10,053,504	$ 36,762,264
Expenditures for segmented assets	$ 119,477	$ 518,766	$ 15,718	$ 653,961

For the Year Ended December 31, 2013	Consumer Finance	Cellular Retail	Franchise	Total
Revenues	$ 12,661,823	$ 20,227,373	$ -	$ 32,889,196
Depreciation and amortization	$ 134,178	$ 386,552	$ -	$ 520,730
Interest expense	$ 72,547	$ 259,700	$ -	$ 332,247
Income tax expense (benefit)	$ 865,000	$ 120,000	$ -	$ 985,000
Net income (loss)	$ 1,426,715	$ 192,829	$ -	$ 1,619,544
Total segment assets	$ 16,131,079	$ 8,308,006	$ -	$ 24,439,085
Expenditures for segmented assets	$ 140,996	$ 456,644	$ -	$ 597,640

15. Commitments and Contingencies –

Employment Agreements

On April 11, 2013, the Company entered into an Amended and Restated Employment Agreement with its Chief Executive Officer, Mr. John Quandahl, to be effective as of April 1, 2013. The amended and restated agreement has a term of three years and contains other terms and conditions that are identical to those of the original agreement which had expired. Specifically, the amended and restated agreement provides an annual base salary and eligibility for an annual performance-based cash bonus pool for management. The amended and restated agreement also contains customary non-solicitation and non-competition provisions as well as provisions for severance payments upon termination by the Company without cause or upon termination by Mr. Quandahl with good reason. Pursuant to the management bonus plan, management bonuses of approximately $352,000 and $329,000 were approved by the board of directors for 2014 and 2013, respectively.

The Company has also entered into several employment agreements with certain members of subsidiary management. The terms of each agreement are different. However, one or all of these agreements include stipulated base salary and bonus potential. The agreement also contains customary non-solicitation and non-competition provisions as well as provisions for severance payments upon termination by the Company without cause.

Asset Purchase Agreement

On November 18, 2014, the Company entered into an asset purchase agreement to acquire several additional Cricket retail stores for a cost of approximately $500,000. The acquisition of the Cricket locations and payment of the purchase price, net of a $50,000 deposit paid in 2014, is expected to be completed January 2, 2015.

Legal Proceedings

The Company is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. The Company does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

At the time of the Company's acquisition of AlphaGraphics, that subsidiary was party to litigation with an individual (plaintiff) who was the former CEO, member of its Board of Directors and franchisee owning two AlphaGraphics franchises. In November 2014, AlphaGraphics and the plaintiff entered into a settlement agreement pursuant to which the parties fully released each other and AlphaGraphics was paid a sum of $636,000 in settlement of certain other obligations that had been owed to it by the plaintiff.

16. Retirement Plan –

Our AGI subsidiary has a 401(k) salary deferral plan covering substantially all of the subsidiary employees who have completed one month of service and are 18 years of age or older. The Company matches employee contributions at the discretion of the subsidiary Board of Directors. There were no matching contributions from the date of the Company's acquisition of the subsidiary on October 1, 2014 through December 31, 2014.

17. Management and Advisory Agreement –

Effective June 21, 2012 (and amended effective October 1, 2014) the Company entered into an Amended and Restated Management and Advisory Agreement with Blackstreet Capital Management, LLC, ("Blackstreet") to provide certain financial, managerial, strategic and operating advice and assistance. The original Management and Advisory Agreement was effective April 1, 2010. Blackstreet employs one of the Company's directors and is affiliated with other entities to which two directors provide consulting services. The annual fees under the amended and restated contract will be the greater of (i) $330,750 (subject to annual increases of five percent) or (ii) five percent of Western Capital's "EBITDA" as defined under the agreement.

The amended and restated agreement also requires the Company to pay Blackstreet a fee in an amount equal to two percent of the gross proceeds of any debt or equity financing, and a fee in an amount equal to $400,000 (plus a $60,000 increase in the management fee payable under the agreement) upon the closing of an acquisition in consideration for Blackstreet's referral to the Company of such acquisition opportunity and assistance in the performance of due diligence services relating thereto. The Company will not, however, be obligated to accept and pursue any acquisition referrals made by Blackstreet. Any fees which may have been payable per these terms related to the AlphaGraphics acquisition were waived by Blackstreet.

Finally, the amended and restated agreement provides that a termination fee will be paid to Blackstreet in the event that the Company terminates the agreement in connection with a sale of all or substantially all of the assets of the Company to, or any merger or other transaction with, an unaffiliated entity, which transaction results in the holders of a majority of the stock of the Company immediately prior to such transaction owning less than 50% of the stock of the Company (or any successor entity) after giving effect to the transaction.

The annual management and advisory fees related to the Amended and Restated Management and Advisory Agreement with Blackstreet for the years ended December 31, 2014 and 2013 were $416,369 and $343,157, respectively.

18. Special Committee of the Board of Directors –

The Board of Directors has appointed Mr. Ellery Roberts to various special committees of the board. Annual Director and special committee fees expense was $50,000 for the years ended December 31, 2014 and 2013.

19. Related Party Transactions –

Leases

The Company leases three properties from an officer of the Company and another related party under operating leases, one that extends through October 2016, requiring monthly lease payments of $1,680, one that extends through June 2015, requiring monthly lease payments of $1,200, and one that extends through November 2017, requiring monthly lease payments of $5,000.

In October 2012, the Company entered into the latter lease. The lease is for a term of five years and has monthly base rental payments of $5,000 per month. The lease is at terms substantially similar to other leases for property near that location. The lease transaction was approved by the Board of Directors and the related party abstained from voting. This property is used for a Cricket retail storefront.

On August 31 2011, the Company entered into two operating leases for property owned by Ladary, Inc. Ladary, which acquired the two properties in foreclosure sales, is a corporation partially owned by the Chief Executive Officer of the Company, three current or past directors and one employee of the management company that manages the Company’s largest shareholder. The new leases, one of which replaced an earlier lease that the Company had entered into with the prior landlord, have four-year terms, require aggregate monthly rental payments of $6,000, and are on terms and conditions substantially similar to those contained in the replaced leases.

Annual rent expense to related parties for the five retail locations for 2014 and 2013 was approximately $166,500.

Credit Facility

On December 7, 2012 (and later amended on March 21, 2014 and September 30, 2014), the Company entered in a borrowing arrangement with River City Equity, Inc. Under this arrangement as amended, the Company may borrow up to $3,000,000 at an interest rate of 12% per annum, with interest payable on a monthly basis. The note contains no prepayment penalties and matures June 30, 2015, on which date all unpaid principal and accrued but unpaid interest thereon is due and payable. The note, under certain circumstances, permits River City Equity to obtain a security interest in substantially all of the Company’s assets, excluding any equity interest in AlphaGraphics. As of December 31, 2014, $2,000,000 was due under this arrangement. Interest expense for 2014 and 2013 on the related party note payable was approximately $252,000 and $330,000, respectively.

20. Subsequent Events –

On January 2, 2015, a subsidiary closed on a seven location Cricket retail store asset purchase agreement (see note 15).

2015 Stock Incentive Plan

The Board of Directors adopted the Company's new 2015 Stock Incentive Plan effective February 6, 2015. The plan replaces the Company's earlier adopted 2008 Stock Incentive Plan, which the board terminated effective February 6, 2015. There were no incentives issued or outstanding under the terminated plan.

The Board of Directors, or a committee of the board, will administer the 2015 Stock Incentive Plan and will have complete authority to award incentives, to interpret the plan and to make any other determination which it believes necessary and advisable for the proper administration of the plan. A total of 100,000 shares of common stock were reserved in connection with the adoption of the 2015 Stock Incentive Plan.

The new plan permits the granting of incentives in any one or a combination of the following forms:

- stock options, including options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended, as "qualified" or "incentive" stock options;
- stock appreciation rights (often referred to as "SARs") payable in shares of common stock;
- restricted stock and restricted stock units;
- performance awards of cash, stock or property; and
- stock awards.

Employment Agreement with Angel Donchev

Effective February 9, 2015, the Company entered into a three-year employment agreement with Mr. Angel Donchev. Under the agreement, Mr. Donchev will serve as the Company's "Chief Investment Officer" charged with managing the Company's acquisition strategy and acquisition efforts. In that role, Mr. Donchev will earn a base salary of $235,000, and be eligible for a discretionary annual performance-based cash bonus targeted at $200,000. The employment agreement also contains other customary terms and conditions respecting company property, confidential information, early termination for cause, and early termination without cause, by either party, upon at least 30 days prior written notice.

The Company retained Mr. Donchev, who has significant experience in evaluating, negotiating and managing acquisition transactions, as part of its strategy to grow profitability through the acquisition of established companies, as well as diversify the industries and geographies in which its subsidiary holdings operate.

In connection with the employment agreement, the Company granted Mr. Donchev a stock option providing him with the ten-year right to purchase up to 65,000 shares of the Company's common stock at an exercise price of $6.00 per share. The option vests in three annual and near-equal installments on each of February 8, 2016, 2017 and 2018. The stock option grant is evidenced by a stock option agreement entered into effective February 9, 2015. The option granted to Mr. Donchev was issued under the Company's new 2015 Stock Incentive Plan approved by the Board of Directors effective February 6, 2015.

PART IV

ITEM 15 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

FINANCIAL STATEMENTS

EXHIBITS

Exhibit No.	Description
2.1	Agreement and Plan of Merger by and among the registrant, WCRS Acquisition Co., LLC, and BC Alpha Holdings II, LLC, dated August 29, 2014 (incorporated by reference to the registrant's current report on Form 8-K filed on September 5, 2014).
3.1	Amended and Restated Articles of Incorporation, filed with the Minnesota Secretary of State on May 25, 2007 (incorporated by reference to the registrant's annual report on Form 10-K filed on April 7, 2008) (see also Exhibits 3.2 through 3.6 below).
3.2	Amendment to Amended and Restated Articles of Incorporation, filed with the Minnesota Secretary of State on December 27, 2007 (incorporated by reference to the registrant's annual report on Form 10-K filed on April 7, 2008).
3.3	Certificate of Designation for Series A Convertible Preferred Stock (incorporated by reference to the registrant's current report on Form 8-K filed on January 7, 2008).
3.4	Amendment to Articles of Incorporation, filed with the Minnesota Secretary of State on March 18, 2008 (incorporated by reference to the registrant's annual report on Form 10-K filed on April 7, 2008).
3.5	Amendment to Articles of Incorporation, filed with the Minnesota Secretary of State on July 29, 2008 (incorporated by reference to the registrant's current report on Form 8-K filed on July 29, 2008).
3.6	Amendment to Articles of Incorporation, filed with the Minnesota Secretary of State on March 30, 2010 (incorporated by reference to the registrant's current report on Form 8-K filed on April 2, 2010).
3.7	Amendment to Articles of Incorporation, filed with the Minnesota Secretary of State on June 23, 2014 (incorporated by reference to the registrant's quarterly report on Form 10-Q filed on August 12, 2014).
3.8	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed on June 23, 2008).
3.9	Amendment to Amended and Restated Bylaws dated May 30, 2014 (incorporated by reference to the registrant's quarterly report on Form 10-Q filed on August 12, 2014).
10.1	2008 Stock Incentive Plan (incorporated by reference to the registrant's annual report on Form 10-K filed on April 7, 2008). (1)
10.2	2015 Stock Incentive Plan (incorporated by reference to the registrant's current report on Form 8-K filed on February 9, 2015).
10.3	Form of Stock Option Agreement for use with 2015 Stock Incentive Plan (incorporated by reference to the registrant's current report on Form 8-K filed on February 9, 2015).
10.4	Term Promissory Note in principal amount of $1,000,000 in favor of John Quandahl (incorporated by reference to Exhibit 10.7 to the registrant's registration statement on Form S-1/A filed with the SEC on November 24, 2008).

10.5	Term Promissory Note in principal amount of $1,000,000 in favor of Mark Houlton (incorporated by reference to Exhibit 10.8 to the registrant's registration statement on Form S-1/A filed with the SEC on November 24, 2008).
10.6	Form of Security Agreement with Charles Payne, John Quandahl and Mark Houlton (incorporated by reference to Exhibit 10.9 to the registrant's registration statement on Form S-1/A filed with the SEC on November 24, 2008).
10.7	Promissory Note delivered in favor of River City Equity, Inc. dated as of October 18, 2011 (incorporated by reference to Exhibit 10.11 to registrant's annual report on Form 10-K filed on March 30, 2012).
10.8	Security Agreement delivered in favor of River City Equity, Inc. dated as of October 18, 2011 (incorporated by reference to Exhibit 10.12 to registrant's annual report on Form 10-K filed on March 30, 2012).
10.9	Consulting Agreement with Ric Miller Consulting, Inc. dated as of April 1, 2010 (incorporated by reference to Exhibit 10.17 to registrant's annual report on Form 10-K filed on March 30, 2012).
10.10	Amended and Restated Employment Agreement with John Quandahl dated as of April 1, 2013 (incorporated by reference to Exhibit 10.1 to the registrant's quarterly report on Form 10-Q filed on May 14, 2013).
10.11	Amended and Restated Management Agreement with Blackstreet Capital Management, LLC, dated June 21, 2012 (incorporated by reference to Exhibit 10.3 to registrant's quarterly report on Form 10-Q filed on August 14, 2012.).
10.12	Amendment to Amended and Restated Management Agreement with Blackstreet Capital Management, LLC, dated October 1, 2014. *
10.13	Employment Agreement with Angel Donchev dated as of February 9, 2015 (incorporated by reference to the registrant's current report on Form 8-K filed on February 9, 2015).
14	Code of Ethics (amended and restated as of May 14, 2014). *
21	List of Subsidiaries. *
31.1	Certification pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (*filed herewith*).
31.2	Certification pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (*filed herewith*).
32	Certification pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*filed herewith*).
101.INS	XBRL Instance Document. *
101.SCH	XBRL Schema Document. *
101.CAL	XBRL Calculation Linkbase Document. *
101.DEF	XBRL Definition Linkbase Document. *
101.LAB	XBRL Label Linkbase Document. *
101.PRE	XBRL Presentation Linkbase Document. *

* Exhibit was previously filed with the original Annual Report on Form 10-K on March 31, 2015.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTERN CAPITAL RESOURCES, INC.

/s/ John Quandahl 8/17/2015
John Quandahl
Chief Executive Officer

/s/ Steve Irlbeck 8/17/2015
Steve Irlbeck
Chief Financial Officer

Exhibit 31.1

SECTION 302 CERTIFICATION

I, John Quandahl, certify that:

1. I have reviewed this annual report on Form 10-K/A of Western Capital Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2015

/s/ John Quandahl
John Quandahl
Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Steve Irlbeck, certify that:

1. I have reviewed this annual report on Form 10-K/A of Western Capital Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2015

/s/ Steve Irlbeck
Steve Irlbeck
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C.
§1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Western Capital Resources, Inc. (the "Company") on Form 10-K/A for the fiscal year ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Quandahl, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Quandahl
John Quandahl
Director, Chief Executive Officer and Chief Operating Officer

August 17, 2015

/s/ Steve Irlbeck
Steve Irlbeck
Chief Financial Officer

August 17, 2015