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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

### CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 15, 2007

## FIRSTCITY FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of incorporation)

**033-19694**  
(Commission File No.)

**76-0243729**  
(IRS Employer Identification No.)

**6400 Imperial Drive**  
**Waco, Texas**  
(Address of principal executive offices)

**76712**  
(Zip Code)

Registrant's telephone number, including area code: **(254) 761-2800**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On May 15, 2007, First City Financial Corporation (the “Company”) received a Staff Determination Notice from The Nasdaq Stock Market indicating that the Company is not in compliance with Nasdaq’s filing requirement, as set forth in Marketplace Rule 4310(c)(14), because the Company has not timely filed its Quarterly Report on Form 10-Q for the year ended March 31, 2007, and that its common stock is, therefore, subject to delisting.

The Company previously requested a hearing before the Nasdaq Listing Qualifications Panel (the “Panel”) with respect to a Staff Determination Notice from The Nasdaq Stock Market received by the Company on April 3, 2007 because the Company did not timely file its Annual Report on Form 10-K for the year ended December 31, 2006. The delisting action referenced in the Staff’s letters of April 3, 2007 and May 15, 2007, has been stayed pending a hearing before the Panel, which has been scheduled for Thursday, May 31, 2007. There can be no assurance that the Panel will grant the Company’s request for continued listing. Pending a decision by the Panel, the Company’s common stock will remain listed on the Nasdaq Global Select Market.

The Company issued a press release in connection with the foregoing matters on May 17, 2007, a copy of which is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press Release dated May 17, 2007.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FIRSTCITY FINANCIAL CORPORATION**

Date: May 17, 2007

By: /s/ J. Bryan Baker  
J. Bryan Baker  
Senior Vice President and Chief Financial Officer

**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	Press Release dated May 17, 2007

**NEWS RELEASE**

Contact: Suzy W. Taylor  
866-652-1810



**FirstCity Financial Corporation Receives NASDAQ Notice Regarding Delayed Filing of Form 10-Q and Updates Status of NASDAQ Listing**

**Waco, Texas May 17, 2007....**FirstCity Financial Corporation (NASDAQ: FCFC) today announced its receipt on May 15, 2007 of an additional NASDAQ Staff Determination notice letter indicating that the Company is not in compliance with NASDAQ's filing requirements, as set forth in Marketplace Rule 4310(c)(14), and that its common stock is therefore subject to delisting. The letter was issued in accordance with NASDAQ procedures because FirstCity Financial did not timely file its Quarterly Report on Form 10-Q for the period ended March 31, 2007.

FirstCity previously requested a hearing before the NASDAQ Listing Qualifications Panel following receipt on April 3, 2007 of another Staff Determination notice letter from NASDAQ because the Company did not timely file its Annual Report on Form 10-K for the year ended December 31, 2006. The delisting action referenced in the NASDAQ Staff's letters of April 3, 2007 and May 15, 2007 has been stayed pending a hearing before the Panel, which has been scheduled for Thursday, May 31, 2007. There can be no assurance that the Panel will grant the FirstCity's request for continued listing. Pending a decision by the Panel, the Company's common stock will remain listed on the NASDAQ Global Select Market.

FirstCity has previously announced that the Audit Committee of the Board of Directors is conducting an independent investigation to review (i) whether FirstCity and its subsidiaries received inadequate compensation, or other improprieties occurred, with respect to the sale of a loan portfolio to a third party, and (ii) FirstCity's compliance with laws applicable to its foreign operations as a result of allegations against an officer of an affiliate of FirstCity regarding matters that occurred prior to the individual's becoming an officer of that affiliate. As a result of this investigation, the Company has delayed filing its Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and its Quarterly Form 10-Q for the period ended March 31, 2007. The Company plans to become current on its periodic reports required under the Securities Exchange Act of 1934, as amended, as soon as practicable following the completion of the Audit Committee's independent investigation.

**Safe Harbor**

Certain statements contained herein that are not historical facts constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. The actual results of the future events described in such forward-looking statements could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially include, but are not limited to, statements relating to the filing of FirstCity's 2006 Form 10-K and announcement of FirstCity's financial results for the 2006 fourth quarter and fiscal year; statements relating to the filing of FirstCity's 2007 first quarter Form 10-Q and announcement of FirstCity's financial results for the 2007 first quarter; the timing, results and effect of the independent Audit Committee investigation; the outcome of the Company's planned hearing with NASDAQ and its appeal of any such determination; and the potential delisting of its common stock from The NASDAQ Global Select Market. These statements are just management's expectations and involve risks and uncertainties, such that actual results may differ significantly. Forward looking statements are made as of the date of this press release and, except as required by law, the Company does not undertake an obligation to update its forward-looking statements to reflect future events or circumstances.

FirstCity Financial is a diversified financial services company with operations dedicated to portfolio asset acquisition and resolution with offices in the U.S. and with affiliate organizations in Europe and Latin America. Its common stock is listed on the NASDAQ Global Select Market System under the symbol "FCFC."

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