

**Glendale Securities, Inc.**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended December 31, 2020**

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

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

OMB APPROVAL	
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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2020 AND ENDING 12/31/2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Glendale Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

15233 Ventura Blvd., Suite 712

(No. and Street)

Sherman Oaks

CA

91403

(City)

(State)

(Zip Code)

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

Eric P. Flesche

818-907-1505

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Alvarez & Associates, Inc.

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

9221 Corbin Ave, Suite 165

Northridge

CA

91324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

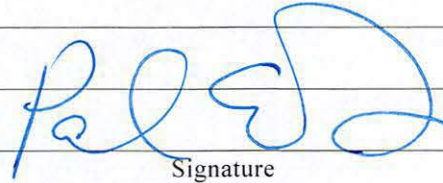
- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

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

## OATH OR AFFIRMATION

I, Paul Eric Flesche, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Glendale Securities, Inc., as of December 31, 2020, 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

CFO

Title

Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of \_\_\_\_\_

County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by

\_\_\_\_\_ proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public \_\_\_\_\_

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

GOVERNMENT CODE § 8202

- ☒ See Attached Document (Notary to cross out lines 1–6 below)  
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], *not* Notary)

1  
2  
3  
4  
5  
6

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of

Los Angeles

Subscribed and sworn to (or affirmed) before me

on this 30<sup>th</sup> day of March, 2021,  
by Paul Eric Flesche  
Date Month Year(1) Paul Eric Flesche

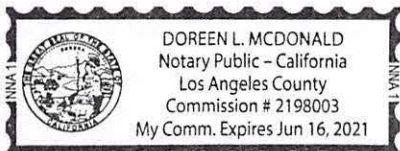
(and (2) \_\_\_\_\_),

Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence  
to be the person(s) who appeared before me.

Signature

Signature of Notary Public



Seal  
Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_



# ALVAREZ & ASSOCIATES, INC CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and the Stockholders of Glendale Securities, Inc.:

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Glendale Securities, Inc. (the "Company") as of December 31, 2020, the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Supplemental Information

The information contained in Schedules I, II and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, Schedules I, II and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2018.  
Northridge, California  
March 22, 2021



**Glendale Securities, Inc.**  
**Statement of Financial Condition**  
**December 31, 2020**

**Assets**

Cash	\$ 647,443
Clearing Broker Deposit (Related Party)	100,000
Marketable Securities, at Fair Market Value	740,778
Investments, at Cost	202,000
Notes Receivable (Related Party)	40,000
Due From Related Party	137,858
Accounts Receivable	129,380
Due From Clearing Firm (Related Party)	393,092
Lease Right of Use	533,949
Rental Deposit	9,195
	<hr/>
<b>Total Assets</b>	<b>\$ 2,933,695</b>

**Liabilities and Stockholders' Equity**

**Liabilities**

Accounts Payable	\$ 27,000
PPP Loan Payable	173,555
Commission Payable	147,275
Referral Fees Payable	11,930
Accrued Expenses	21,613
Management Fee Accrual	162,099
Lease Liability	544,879
Accrued Taxes	111,476
	<hr/>
<b>Total Liabilities</b>	<b>\$ 1,199,827</b>

**Stockholders' Equity**

Common Stock (\$0 par value, 100,000 shares authorized, 18,012 shares issued and outstanding)	\$ -	
Paid-in Capital	210,073	
Retained Earnings	<u>1,523,795</u>	<u>1,733,868</u>

<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 2,933,695</b>
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*The accompanying notes are an integral part of these financial statements.*

**Glendale Securities, Inc.**  
**Statement of Income**  
**For the Year Ended December 31, 2020**

**Revenues**

Commissions	\$ 2,804,342
Trading	560,751
Mutual Funds	1,153
Services	2,363,899
<b>Total Revenues</b>	<u>5,730,145</u>

**Expenses**

Payroll & Related Expenses	842,446
Rent	121,468
Access Charges	313,651
Commissions Expenses & Payouts	1,065,632
Referral Fees	152,028
Professional fees	225,404
Telephone	25,485
Computer Fees	25,203
DTC Charges	1,092,400
Certificate Deposit Charges	6,270
Other	82,220
Ticket Charges	649,073
Insurance	73,740
Regulatory costs	43,012
Management Fees	411,899
Travel and Entertainment	5,277
<b>Total Expenses</b>	<u>5,135,208</u>

Income Before Tax Provision	594,937
Provision for Income Tax	200,198
<b>Net Income</b>	<u>\$ 394,739</u>

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

**Glendale Securities, Inc.**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2020**

	<b>Common Stock Shares</b>	<b>Common Stock</b>	<b>Paid In Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
December 31, 2019	18,012	\$ -	\$ 210,073	\$1,129,056	\$1,339,129
Net Income/(Loss)				394,739	394,739
December 31, 2020	18,012	\$ -	\$ 210,073	\$1,523,795	\$1,733,868

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

**Glendale Securities, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**

**Cash Flows from Operating Activities:**

Net Income	\$ 394,739
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Amortization of right of use asset	98,724
Changes in operating assets and liabilities:	
Accounts Receivable	(129,380)
Marketable Securities	(78,658)
Accounts Payable	12,225
Accrued Expenses	(108,771)
Referral Fees Payable	873
Commissions Payable	106,132
Due From Clearing Firm (Related Party)	(335,952)
Deferred Tax Asset & Accrued Taxes	250,134
Repayment of Lease Liability	(87,794)
Rent Deposit	(2,318)
Management Fee Accrual	162,099
Note Receivable	95,000
Net cash provided by operating activities	<u>377,053</u>
Net Cash Used by Investing Activities	<u>-</u>
Cash Flows from Financing Activities	
PPP Loan Payable	<u>173,555</u>
Net Cash Provided by Financing Activities	<u>173,555</u>
Net increase in cash	550,608
Cash at the beginning of year	<u>96,835</u>
Cash at end of year	<u>\$ 647,443</u>

**Supplemental Disclosure of Cash Flow Information**

Cash Paid For:	
Income Taxes	\$ -
Interest Expense	<u>\$ 1,235</u>

**Supplemental Disclosure of Non-Cash Transactions:**

The Company recognized a right of use asset of \$563,454 and lease liability of \$563,454.

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

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 1 – Organization and Nature of Business**

Glendale Securities, Inc. (the "Company") was incorporated in the State of California on August 19, 2002. The Company is a registered broker-dealer with the Securities Exchange Commission ("SEC"), the Financial Industry Regulatory Authority ("FINRA"), the Municipal Securities Rulemaking Board ("MSRB"), and the Securities Investor Protection Corporation ("SIPC"). The Company has three locations: one in Sherman Oaks, California, one in New York, New York and one in Coeur d'Alene, Idaho.

**Note 2 – Significant Accounting Policies**

**Basis of Presentation** – The Company is an introducing broker-dealer that clears all transactions with and for customers on a fully disclosed basis with a registered securities clearing broker and promptly transmits all customer funds and securities to the clearing broker, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of the SEC Rule 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Commissions** - The Company earns commissions by referring client transactions in mutual funds, and equities. Commissions revenue is recognized in the period earned when the performance obligation is satisfied. Customers' securities transactions and related commission income and expenses are recorded on a trade-date basis.

**Securities Inventory** – Proprietary securities transactions in regular-way trades are recorded on trade date. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Securities inventory positions are marked to market at the end of each reporting period.

**Services** – The Company provides DTC Eligibility services to issuers of securities. Services and related income and expenses are recorded when the services are performed under the terms of the underlying engagements.

**Accounts Receivable** – The Company uses the direct write off method when recording its Accounts Receivable and other balances receivable at net collection value.

**Clearing Broker Deposit** - The Company has a clearing agreement with Wilson-Davis & Co., Inc. which requires a minimum deposit of \$100,000. The clearing broker deposit at December 31, 2020 was \$100,000. The Clearing Broker has custody of the Company's cash balances which serve as collateral for any amounts due to the Clearing Broker as well as collateral for securities sold short or securities purchased on margin.

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 2 – Significant Accounting Policies (continued)**

**Income Taxes** – The amount of current taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

The accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organization tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities generally for three years after they are filed.

**Note 3 - Fair Value**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 3 - Fair Value (continued)**

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020.

**Fair Value Measurements on a Recurring Basis**  
**As of December 31, 2020**

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Securities Owned:				
Investments at Cost			\$ 202,000	202,000
Notes Receivable at Cost			40,000	40,000
Penny Stocks		\$ 740,778		740,778
<b>Total</b>	<b>\$</b>	<b>\$ 740,778</b>	<b>\$ 242,000</b>	<b>\$ 982,778</b>

**Fair Value Measurement of Level 3 Investments**

<b>Beginning Balance at December 31, 2019</b>	\$ 337,000
Purchases	
Cash Receipts	95,000
Unrealized Gain/Loss	-
<b>Ending Balance at December 31, 2020</b>	<b>\$ 242,000</b>

Investment represents an equity investment in another entity with minimal operations to date, therefore the investment is currently held at cost. [See Note 5]

Penny Stocks are valued using the last trade on December 31, 2020 or the best bid price if there were no trades on December 31, 2020.

**Note 4 - Commissions and Fees Payable**

As of December 31, 2020, the Company had Commissions payable of \$41,142 and Referral fees payable of \$11,057, representing balances due to broker-dealers and registered representatives.

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 5 – Related Party**

Investments, at cost in the amount of \$202,000 as of December 31, 2020 represent an investment in GLEN Holdings Corp. ("GHC"), which is owned by the Company, certain shareholders, and officers of the Company. GHC is a holding company principally for the purchase of a controlling interest in the Company's clearing firm, Wilson-Davis & Co., Inc. ("WDCO").

Effective January 2018, WDCO is the Company's clearing broker for customer and proprietary transactions, as set forth in Footnote 2. In addition to GHC's current and pending interests in WDCO noted above, a Company officer and shareholder is a member of WDCO's Board of Directors. As of December 31, 2020, Due from clearing firm (related party), or WDCO, amounted to \$393,092 consisting of clearing transactions receivable. The clearing transactions receivable is recorded net of associated amounts payable on the Statement of Financial Condition.

As of December 31, 2020, a balance of \$137,858 was due from a stockholder under the Company's terms of a proprietary trading agreement. The balance is non-interest bearing without a stated repayment date.

It is possible that the terms of certain related party transactions are not the same as those that would result from transactions among wholly unrelated parties.

**Note 6 – Provision For Income Taxes**

The Company files its tax returns on an accrual basis. The current income tax expense included in the statements of income as determined in accordance with FASB ASC 740 is as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current	\$ 107,836	\$ 42,566	\$ 49,796	\$ 200,198
Deferred				
Total	<u>\$ 107,836</u>	<u>\$ 42,566</u>	<u>\$ 49,796</u>	<u>\$ 200,198</u>

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) amended section 172(b)(1) to provide for a carryback of any net operating loss (NOL) arising in a taxable year beginning after December 31, 2017, and before January 1, 2021, to each of the five taxable years preceding the taxable year in which the loss arises (carryback period). The Company utilized the prior NOL pursuant to the CARES Act.

As required by the Income Taxes Topic of Financial Accounting Standards Board Accounting Standards Codification, deferred taxes are accounted for using an asset and liability approach in recognizing timing differences. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax of such timing differences.

At December 31, 2020 there are no significant book to tax difference and thus no deferred taxes were recorded.

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 7 – Litigation**

In the normal course of business, the Company has possible exposure or may be a defendant in legal actions, claims and disputes arising out of its activities as a registered broker-dealer. While predicting the resolution of such matters is inherently difficult, the Company believes that there are no other actions or possible actions that would have a material impact on the financial statements.

**Note 8 – Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2020, the Company had net capital of \$662,424 which was \$562,424 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 1.55 to 1.

**Note 9 – Pension Plan**

During 2010, the Company adopted a 401 (k) plan covering eligible employees of the Company. All employees are eligible to contribute immediately upon employment. The Company did not make any contributions to the plan for the year ended December 31, 2020.

**Note 10 – Operating Lease**

The Company entered into a six-year lease for office space under a non-cancellable operating lease, commencing September 1, 2020 and expiring November 30, 2026.

The components of lease cost for the year ended December 31, 2020 are as follows:

Operating lease cost	\$121,468
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The Company recognized a Right of Asset of \$533,949 for this lease as of December 31, 2020, and Lease Liability for \$544,879.

At December 31, 2020 future minimum lease payments under this agreement were as follows:

2021	74,807
2022	85,087
2023	96,274
2024	99,643
2025	103,131
2026	97,640
Total undiscounted lease payments	556,582
Less imputed interest	(11,703)
Total lease liability	<u>\$ 544,879</u>

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 11 - Concentrations**

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. The Company deposits its cash in creditworthy financial institutions, and the Company believes it is not exposed to significant credit risk on those amounts.

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 12 - PPP Loan Payable**

On April 17, 2020, the Company received loan proceeds in the amount of \$173,555 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan principal and accrued interest are forgivable if the borrower uses the loan proceeds for eligible purposes, such as payroll, benefits, rent and utilities. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%. The Company used the proceeds for purposes consistent with the PPP and anticipates that loan will be forgiven.

**Note 13 - COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve. Management has taken steps to implement social distancing and remote computing capabilities to protect its workforce and customers from COVID-19. Although the impact that the pandemic will ultimately have on the Company's financial condition and future results of operations is not yet know, management does not believe the Company will be materially negatively impacted.

**Note 14 - Subsequent Events**

On February 8, 2021, the company received an additional PPP loan in the amount of \$174,960. The loan principal and accrued interest are forgivable if the borrower uses the loan proceeds for eligible purposes, such as payroll, benefits, rent and utilities. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%. The Company intends to use the proceeds for purposes consistent with the PPP guidelines and anticipates that loan will be forgiven.

The Company has reviewed transactions and events from its year-end December 31, 2020 through the date the financial statements were available to be issued for matters which require recording and/or disclosure in the financial statements. See Notes 5 and 7 for matters identified.

**Glendale Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 15 – Recently Issued Accounting Pronouncements**

The Financial Accounting Standards Board (the “FASB”) has established the Accounting Standards Codification (“Codification” or “ASC”) as the authoritative source of generally accepted accounting principles (“GAAP”) recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financials statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates (“ASUs”).

For the year ending December 31, 2020, various ASU’s issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended.

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company’s financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Glendale Securities, Inc.**  
**Schedule I**  
**Computation of Net Capital Pursuant to SEA Rule 15c3-1**  
**December 31, 2020**

Computation of Net Capital

Total Stockholders' Equity	\$ 1,733,868
Non Allowable Assets:	
Accounts Receivable	(129,380)
Due from related party	(137,858)
Rental Deposit	(9,195)
Investments	(202,000)
Notes Receivable	(40,000)
Haircuts:	
Other Securities	(7,078)
No Market	(12,594)
Limited Market	(320)
Blockage	(680,201)
Allowable Credits:	
SBA PPP Expenditures	<u>147,182</u>
<b>Net Capital</b>	<b><u>\$ 662,424</u></b>
Computation of Net Capital Requirements:	
Minimum net aggregate indebtedness – 6-2/3% of net aggregate indebtedness	<u>\$ 68,418</u>
Minimum dollar net capital required	<u>\$ 100,000</u>
Net Capital required (greater of above amounts)	<u>\$ 100,000</u>
Excess Capital	<u>\$ 562,424</u>
Total liabilities	<u>1,026,272</u>
Ratio of Aggregate indebtedness to net capital	<u>1.55:1</u>

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's most recently filed Form X-17A-5 Part IIA report dated December 31, 2020.

*See report of independent registered public accounting firm*

**Glendale Securities, Inc.**  
**Schedule II – Computation for Determination of**  
**Reserve Requirements Pursuant to SEA Rule 15c3-3**  
**As of December 31, 2020**

The Company is exempt from the computation of reserve requirements under paragraph (k)(2)(ii) of Rule 15c3-3 under the U.S. Securities Exchange Act of 1934. In addition, the Company conducts advisory services for DTC eligibility and direct sale of mutual funds whereby the Company does not take possession of customer funds or securities and therefore its direct business is not subject to the custody provisions of Rule 15c3-3.

*See report of independent registered public accounting firm*

**Glendale Securities, Inc.**  
**Schedule III – Information Relating to Possession or**  
**Control Requirements under SEA Rule 15c3-3**  
**As of December 31, 2020**

The Company is exempt from the possession and control requirements under paragraph (k)(2)(ii) of Rule 15c3-3 under the U.S. Securities Exchange Act of 1934. In addition, the Company conducts advisory services for DTC eligibility and direct sale of mutual funds whereby the Company does not take possession of customer funds or securities and therefore its direct business is not subject to the custody provisions of Rule 15c3-3.

*See report of independent registered public accounting firm*

**Glendale Securities, Inc.**  
**Report on Exemption Provisions**  
**Pursuant to Provisions of 17 C.F.R. § 15c3-3(k)**  
**For the Year Ended December 31, 2020**



**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To Those Charged with Governance and Stockholders of Glendale Securities, Inc.:

We have reviewed management's statements, included in the accompanying Exemption Report of Brokers and Dealers, in which (1) Glendale Securities, Inc., identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Glendale Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (2)(ii) and the Non-Covered Firm provision, and (2) Glendale Securities, Inc. stated that Glendale Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year ended December 31 2020, without exception. Glendale Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and accordingly, included inquiries and other required procedures to obtain evidence about Glendale Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934 and the Non-Covered Firm Provision.

*Alvarez & Associates, Inc.*

Alvarez & Associates, Inc.

Northridge, California  
March 22, 2021



**GLENDALE SECURITIES, INC.**

15233 Ventura Blvd. > Suite 712 > Sherman Oaks > California > 91403  
Phone: 818-907-1505 > Fax: 818-907-1506 > glendalesecurities.com

**Assertions Regarding Exemption Provisions**

This is to certify that, to the best of my knowledge and belief:

Glendale Securities, Inc. is a registered broker-dealer subject to Rule 17a -5 promulgated by the Securities and Exchange Commission (17 C.F. R. section 240.17a -5, " Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R Section 240.17a-S(d)(1) and (4). To the best of its knowledge and belief Broker Dealer states the following:

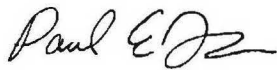
Glendale Securities, Inc. claimed an exemption under provision 17 C.F. R. section 240. 15c3- 3 (k)(2)(ii) as the company is a non -carrying broker-dealer which promptly transmits all funds and delivers all securities received in connection with its activities as a broker-, and does not otherwise hold funds or securities for, or owe money or securities to customers.

Glendale Securities, Inc. claimed an exemption as a Non-Covered Firm for advisory services for DTC Eligibility and direct sale of mutual funds. Glendale Securities, Inc. (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

Glendale Securities, Inc. met the identified provisions throughout the most recent fiscal year without exceptions.

Glendale Securities, Inc.

By: Eric Flesche, CFO



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**Glendale Securities, Inc.**  
**Report on the SIPC Annual Assessment**  
**Pursuant to Rule 17a-5(e)4**  
**For the Year Ended December 31, 2020**



# ALVAREZ & ASSOCIATES, INC

## CERTIFIED PUBLIC ACCOUNTANTS

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To Those Charged with Governance and the Stockholders of Glendale Securities, Inc.:

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below and were agreed to by Glendale Securities, Inc. and the SIPC, solely to assist you and SIPC in evaluating Glendale Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2020. Glendale Securities, Inc.'s management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by the Public Company Accounting Oversight Board (United States) and 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, noting no differences;
- 2) Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2020 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2020, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Glendale Securities, Inc.'s compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2020. Accordingly, we do not express such an opinion or conclusion. 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 Glendale Securities, Inc. and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

Alvarez & Associates, Inc.

Northridge, California  
March 22, 2021



**Glendale Securities, Inc.**  
**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended December 31, 2020**

	<u>Amount</u>
<b>Total assessment</b>	\$ 6,296
 SIPC-6 general assessment	
Payment made on October 22, 2020	(2,335)
 SIPC-7 general assessment	
Payment made on February 11, 2021	<u>(3,961)</u>
<b>Total assessment balance</b>	
<b>(overpayment carried forward)</b>	<u><u>\$ -</u></u>