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

SEC FILE NUMBER
 8- 65353

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 January 1, 2008 AND ENDING December 31, 2008
 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Brandis Tallman, LLC
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
22 Battery Street, Suite 500

OFFICIAL USE ONLY
 FIRM I.D. NO.

(No and Street)

San Francisco CA 94111
 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Richard S. Brandis (415) 912-5633
 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Breard & Associates Inc., Certified Public Accountants

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

9221 Corbin Avenue Suite 170 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.

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Washington, DC

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*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)

1/11/08

dm

OATH OR AFFIRMATION

I, Richard S. Brandis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Brandis Tallman LLC, as of December 31, 20 08, 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:

State of California
County of San Francisco
Subscribed and sworn to (or affirmed) before me on this 21st day of January, 20 09 by Richard S. Brandis personally known to me or proved to me on the basis of satisfactory evidence to be the person(s)

Richard S. Brandis
Signature
President
Title

Maria
Notary Public



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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss)
- (d) Statement of Changes in Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 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).

BREARD & ASSOCIATES, INC.
Certified Public Accountants

Independent Auditor's Report

Board of Directors
Brandis Tallman LLC:

We have audited the accompanying statement of financial condition of Brandis Tallman LLC (The Company) as of December 31, 2008, and the related statements of income, changes in members' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 Brandis Tallman LLC as of December 31, 2008, 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 of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Breard & Associates, Inc.
Certified Public Accountants

Oakland, California
February 23, 2009

We Focus & CareSM

Brandis Tallman LLC
Statement of Financial Condition
December 31, 2008

Assets

Cash	\$ 33,842
Deposits held at clearing organizations	159,264
Underwriting receivable	5,818
Property and equipment, net	5,516
Other assets	<u>2,022</u>
Total assets	<u>\$ 206,462</u>

Liabilities and Members' Equity

Liabilities

Accounts payable and accrued expenses	\$ 2,500
Income taxes payable	<u>900</u>

Total liabilities 3,400

Members' equity 203,062

Total liabilities and members' equity **\$ 206,462**

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

Brandis Tallman LLC
Statement of Income
For the Year Ended December 31, 2008

Revenues

Referral income	\$ 394,309
Underwriting income	9,600
Trading revenue	62,592
Interest income	3,146
Other income	<u>5,000</u>
Total revenues	474,647

Expenses

Employee compensation and benefits	167,063
Underwriting expense	18,078
Occupancy	30,093
Other operating expenses	<u>124,351</u>
Total expenses	<u>339,585</u>

Net income (loss) before income tax provision 135,062

Income tax provision 1,700

Net income (loss) \$ 133,362

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

Brandis Tallman LLC
Statement of Changes in Members' Equity
For the Year Ended December 31, 2008

	<u>Members'</u> <u>Equity</u>
Balance at December 31, 2007	\$ 225,950
Members' distributions	(156,250)
Net income (loss)	<u>133,362</u>
Balance at December 31, 2008	<u>\$ 203,062</u>

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

Brandis Tallman LLC
Statement of Cash Flows
For the Year Ended December 31, 2008

Cash flows from operating activities:		
Net income (loss)		\$ 133,362
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	\$ 6,318	
(Increase) decrease in:		
Deposits held at clearing organizations	26,383	
Underwriting receivable	(4,948)	
(Decrease) increase in:		
Income taxes payable	<u>(1,600)</u>	
Total adjustments		<u>26,153</u>
Net cash provided by (used in) operating activities		159,515
Cash flows from investing activities:		-
Cash flows from financing activities:		
Members' distributions	<u>(156,250)</u>	
Net cash provided by (used in) financing activities		<u>(156,250)</u>
Net increase (decrease) in cash		3,265
Cash at beginning of year		<u>30,577</u>
Cash at end of year		<u><u>\$ 33,842</u></u>

Supplemental disclosure of cash flow information:

Cash paid during the year for

Interest	\$ -
Income taxes	\$ 3,300

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

Brandis Tallman LLC
Notes to Financial Statements
December 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Brandis Tallman LLC (the "Company") was organized in the State of California on February 26, 2003. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), the Securities Investor Protection Corporation ("SIPC"), and the Municipal Securities Rulemaking Board ("MSRB").

The Company is a full service investment banking firm that provides bond underwriting and financial advisory services to public agencies. The Company offers financial analysis, planning and debt structuring for capital projects. Its trading and sales department distributes the municipal underwritings to a customer base that includes retail accounts, institution investors such as mutual funds, bank and insurance companies, money managers, and investment advisors. Commission income consists of security trades of buys and sells.

The Company conducts business on a fully disclosed basis whereby the execution and clearance of trades are handled by another broker/dealer. The Company does not hold customer funds and/or securities

Summary of Significant Accounting Policies

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Underwriting receivables are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Commission income and expenses are recorded on trade date basis. Underwriting income is recorded at the time the underwriting is completed and the income is reasonably determined. Referral income is recorded when earned.

Brandis Tallman LLC
Notes to Financial Statements
December 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Property and equipment are stated at cost. The Company depreciates its property and equipment using the straight line method of depreciation over the property and equipment's useful lives of five (5) to seven (7) years.

The Company, with the consent of its Members, has elected to be a California Limited Liability Company. For tax purposes the Company is treated like a partnership, therefore in lieu of business income taxes, the Members are taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar treatment, although there exists a provision for a minimum Franchise Tax of \$800 and the gross receipts fee.

Note 2: DEPOSITS HELD AT CLEARING FIRM

The Company has a brokerage agreement with Wedbush Morgan Securities ("Clearing Broker") to carry its account and the accounts of its customers as customers of the Clearing Broker. 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. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance at December 31, 2008, includes interest earned for a deposit total of \$159,264.

Note 3: PROPERTY AND EQUIPMENT, NET

Property and equipment are recorded at cost and summarized by major classifications as follows:

		<u>Depreciable Life Years</u>
Automobile	\$ 62,182	5
Furniture and fixtures	980	7
Equipment	<u>5,469</u>	5
	68,631	
Less accumulated depreciation	<u>(63,115)</u>	
Property and equipment, net	<u><u>\$ 5,516</u></u>	

Depreciation expense for the year ended December 31, 2008 was \$6,318.

Brandis Tallman LLC
Notes to Financial Statements
December 31, 2008

Note 4: INCOME TAXES

The Company is subject to a limited liability company gross receipts fee, with a minimum provision of \$800. At December 31, 2008, the Company recorded gross receipts fee of \$900, and the minimum limited liability company income tax of \$800, for a total tax provision of \$1,700.

Note 5: COMMITMENTS AND CONTINGENCIES

Commitments

On January 23, 2008 the Company entered into a lease agreement for office space. The lease contains provisions for rent escalation based on increases in certain costs incurred by the leaser.

Future minimum lease payments under the leases are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 32,136
2010	33,421
2011	34,758
2012 & thereafter	<u>8,774</u>
Total	<u>\$ 109,089</u>

Rent expense was \$30,093 for the year ended December 31, 2008.

Note 6: CONCENTRATIONS OF CREDIT RISK

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.

Brandis Tallman LLC
Notes to Financial Statements
December 31, 2008

Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS

For the year ending December 31, 2008, various accounting pronouncements or interpretations by the Financial Accounting Standards Board 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 reviewed the following Financial Interpretation (“FIN”) and Statements of Financial Accounting Standards (“SFAS”) for the year to determine relevance to the Company’s operations:

<u>Statement Number</u>	<u>Title</u>	<u>Effective Date</u>
FIN 48	Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109	After 12/15/07
SFAS 141(R)	Business Combinations	After 12/15/08
SFAS 157	Fair Value Measurements	After 12/15/07
SFAS 160	Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51	After 12/15/07
SFAS 161	Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133	After 12/15/08

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.

Note 8: NET CAPITAL

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2008, the Company had net capital of \$195,323, which was \$95,323 in excess of its required net capital of \$100,000; and the Company's ratio of aggregate indebtedness (\$3,400) to net capital was 0.02 to 1, which is less than the 15 to 1 maximum ratio allowed for a broker/dealer.

Brandis Tallman LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2008

Computation of net capital

Members' equity		<u>\$ 203,062</u>
Less: Non-allowable assets		
Property and equipment, net	\$ 5,516	
Other assets	<u>2,022</u>	
Total non-allowable assets		<u>7,538</u>
Net capital		195,524

Computation of net capital requirements

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 227	
Minimum dollar net capital required	\$ 100,000	
Net capital required (greater of above)		<u>100,000</u>
Excess net capital		<u><u>\$ 95,324</u></u>

Ratio of aggregate indebtedness to net capital 0.02: 1

There was a \$1 difference, due to rounding, between net capital shown here and net capital as reported on the Company's unaudited Form X-17A-5 report dated December 31, 2008.

Brandis Tallman LLC
Schedule II - Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2008

A computation of reserve requirement is not applicable to Brandis Tallman LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report.

Brandis Tallman LLC
Schedule III - Information Relating to Possession or Control
Requirements Under Rule 15c3-3
As of December 31, 2008

Information relating to possession or control requirements is not applicable to Brandis Tallman LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report.

Brandis Tallman LLC
Supplementary Accountant's Report
on Internal Accounting Control
Report Pursuant to 17a-5
For the Year Ended December 31, 2008

BREARD & ASSOCIATES, INC.

Certified Public Accountants

Board of Directors

Brandis Tallman LLC:

In planning and performing our audit of the financial statements of Brandis Tallman LLC (the Company), as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Breard & Associates, Inc.
Certified Public Accountants

Oakland, California
February 23, 2009

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- 103

Brandis Tallman LLC
Report Pursuant to Rule 17a-5 (d)
Financial Statements
For the Year Ended December 31, 2008