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SECURITIES AND EXCHANGE COMMISSION  
**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL  
OMB Number: 3235-0123  
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8- 29761

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 11/01/12 AND ENDING 10/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: American Network Securities Corporation

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

10104 West Coggins Drive  
(No. and Street)  
Sun City AZ 85351-3405  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Edward Registrato (623) 974-1188  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Spicer Jeffries LLP  
(Name - if individual, state last, first, middle name)  
5251 S Quebec Street Greenwood Village CO 80111  
(Address) (City) (Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
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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)

DD  
5/5/14

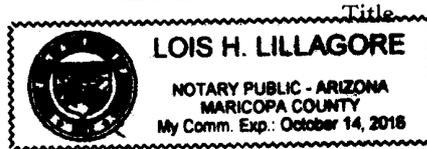
OATH OR AFFIRMATION

I, Edward Registrato, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of \_\_\_\_\_, as of October 31, 20 13, 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:

Edward Registrato
Signature

President

Lois H. Lillagore
Notary Public



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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(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.
(o) Independent Auditors' Report on Internal Accounting Control.

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

**AMERICAN NETWORK SECURITIES  
CORPORATION**

**STATEMENT OF FINANCIAL CONDITION**

**OCTOBER 31, 2013**



**SPICER JEFFRIES LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**AMERICAN NETWORK SECURITIES  
CORPORATION**

**STATEMENT OF FINANCIAL CONDITION**

**OCTOBER 31, 2013**

The report is filed in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934 as a **PUBLIC DOCUMENT**.

**AMERICAN NETWORK SECURITIES CORPORATION**

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SPICER JEFFRIES LLP

CERTIFIED PUBLIC ACCOUNTANTS

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GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0338

www.spicerjeffries.com

## INDEPENDENT AUDITORS' REPORT

### *Report on the Financial Statements*

We have audited the accompanying statement of financial condition of American Network Securities Corporation (the "Company") as of October 31, 2013 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of American Network Securities Corporation as of October 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Greenwood Village, Colorado  
November 21, 2013



AMERICAN NETWORK SECURITIES CORPORATION

STATEMENT OF FINANCIAL CONDITION  
OCTOBER 31, 2013

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ASSETS

Cash and cash equivalents	\$	201,250
Commissions receivable		65,447
Clearing deposit		50,000
Other assets		<u>2,885</u>
<i>Total assets</i>	\$	<u>319,582</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

**LIABILITIES:**

Accounts payable	\$	7,870
Accrued expenses		<u>11,746</u>
<i>Total liabilities</i>		<u>19,616</u>

**COMMITMENTS AND CONTINGENCIES** (Notes 3 and 5)

**SHAREHOLDERS' EQUITY** (Note 2):

Common stock, \$1.00 par value; 1,000,000 shares authorized, 11,000 shares issued and outstanding		11,000
Additional paid-in capital		6,200
Retained earnings		<u>282,766</u>
<i>Total shareholders' equity</i>		<u>299,966</u>

<i>Total liabilities and shareholders' equity</i>	\$	<u>319,582</u>
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The accompanying notes are an integral part of this statement.

# AMERICAN NETWORK SECURITIES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and business**

American Network Securities Corporation (the "Company") is an Arizona corporation incorporated on January 24, 1983. The Company purchases and sells securities on behalf of its clients which are located mainly in Arizona. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA").

#### **Revenue recognition**

The Company records securities transactions on a settlement date basis (substantially common stocks). Commission income and related expenses are recorded on a settlement date basis which is not materially different than trade date. Accounts receivable are carried at their estimated collectible amounts, and losses are determined on the basis of experience with the customer and current economic conditions. At October 31, 2013, management believes all receivables to be fully collectible.

#### **Agreement with clearing broker**

The Company under Rule 15c3-3(k)(2)(ii) is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts. Accordingly, all customer transactions are executed and cleared on behalf of the Company by its clearing broker on a fully disclosed basis. The Company's agreement with its clearing broker provides that as clearing broker, that firm will make and keep such records of the transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities and Exchange Act of 1934, as amended (the "Act"). It also performs all services customarily incident thereon, including the preparation and distribution of customer's confirmations and statements and maintenance margin requirements under the Act and the rules of the Self Regulatory Organizations of which the Company is a member.

#### **Cash and cash equivalents**

For purposes of the statement of cash flows, the Company considers money market funds with maturities of three months or less to be cash equivalents.

#### **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.

# AMERICAN NETWORK SECURITIES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

(continued)

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(concluded)*

#### **Income taxes**

The Company accounts for income taxes in accordance with Accounting Standards Codification (“ASC”) 740, “Accounting for Income Taxes.” Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences or benefits attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

The Company is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. The Company files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states. The Company is not subject to income tax return examinations by major taxing authorities for years before 2010. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Company recording a tax liability that reduces net assets. However, the Company’s conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Company recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income taxes payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended October 31, 2013.

### **NOTE 2 - NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At October 31, 2013, the Company had net capital and net capital requirements of \$296,981 and \$50,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 0.07 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

### **NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS**

The Company leases office space from an unrelated entity under a noncancelable operating lease expiring in 2017. The Company will have the right and option to extend the lease for an additional five years subject to the terms of the amendment. In addition, the Company subleases a portion of the space to another unrelated entity on a month to month basis. The Company received approximately \$7,653 in sublease rentals for the year ended October 31, 2013. Rent expense for the year ending October 31, 2013 was approximately \$53,000, net of sublease rentals and reimbursement from a related entity.

AMERICAN NETWORK SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

(continued)

**NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS** (continued)

The Company and a related entity via common ownership by the shareholders utilize common office space, equipment and personnel. The Company receives reimbursement from this related entity for expenses incurred. For the year ended October 31, 2013 the Company received a total of approximately \$35,300 from this related entity.

Future minimum lease payments are as follows:

2014	\$ 46,036
2015	46,740
2016	46,975
2017	<u>11,744</u>
Total	<u>\$ 151,495</u>

**NOTE 4 - INCOME TAXES**

The Company has a net operating loss carry forward of approximately \$136,000 and \$217,000 for federal and state purposes, respectively, to offset future taxable income. The net operating loss carry forward expires beginning in 2014 for state and 2028 for federal. Deferred income taxes reflect the net tax effects of the temporary difference of carrying amounts of assets and liabilities for financial statement purposes and the amounts used for income tax purposes. However, collectability of the deferred tax asset is not assured, therefore the Company has recorded a valuation allowance to fully reserve its net deferred tax asset.

Significant components of the Company's deferred tax liabilities and assets as of October 31, 2013 are:

Deferred tax liabilities	<u>\$ -</u>
Deferred tax assets:	
Net operating loss carryforward	\$ 46,000
Valuation allowance	<u>(46,000)</u>
	<u>\$ -</u>

The valuation allowance increased by \$30,000 for the year ended October 31, 2013.

AMERICAN NETWORK SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

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(Concluded)

**NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISK AND CONTINGENCIES**

In the normal course of business, the Company's client activities ("clients") through its clearing broker involve the execution, settlement and financing of various client securities transactions. These activities may expose the Company to off-balance sheet risk. In the event the client fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations.

The Company has receivables from and deposits with its clearing broker as shown on the accompanying statement of financial condition. These amounts are not covered by SIPC and are subject to loss should the clearing broker cease business.

The Company's financial instruments, including cash and cash equivalents, deposits, receivables, other assets and payables, are carried at amounts that approximate fair value due to the short-term nature of those instruments.

**NOTE 6 - SUBSEQUENT EVENTS**

The Company has performed an evaluation of subsequent events through the date the financial statements were issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.