



SECURI

15045178

ION

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden	
hours per response.....	12.00

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

SEC
 Mail Processing
 Section
 FEB 27 2015
 Washington DC

SEC FILE NUMBER
8- 15009

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 01/01/2014 AND ENDING 12/31/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: OneAmerica Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

433 North Capital Avenue, 3rd Floor

(No. and Street)

Indianapolis

IN

46204

(City)

(State)

(Zip Code)

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

Douglas W. Collins

317-285-2577

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pricewaterhouse Coopers, LLP

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

101 West Washington Street, Suite 1300

Indianapolis

IN

46204

(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)

3/14/15

OATH OR AFFIRMATION

I, Douglas W. Collins, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OneAmerica Securities, Inc., as of December 31, 20 14, 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:

Douglas W. Collins
Signature

Treasurer
Title

Jessica B Reed
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.

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





OneAmerica Securities, Inc.
Financial Statements and Supplementary Schedules
Pursuant to SEC Rule 17a-5
December 31, 2014

OneAmerica Securities, Inc.
December 31, 2014

Contents

Report of Independent Registered Public Accounting Firm.....	1
Financial Statements	
Statement of Financial Condition.....	2
Statement of Operations.....	3
Statement of Changes in Stockholder’s Equity.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6
Supplementary Information	
Computation of Net Capital.....	10
Determination of Reserve Requirements and Information Relating to Possession or Control Requirement under Securities and Exchange Commission Rule 15c3-3.....	11



Report of Independent Registered Public Accounting Firm

To the Management of OneAmerica Securities, Inc.:

In our opinion, the accompanying statement of financial condition and the related statements of operations, of changes in stockholder's equity, and of cash flows present fairly, in all material respects, the financial position of OneAmerica Securities, Inc. at December 31, 2014, and the results of its operations and its cash flows for the year ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. 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 of these statements 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 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, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The computation of net capital and determination of reserve requirements and information relating to possession or control requirement are supplemental information required by Rule 17a-5 under the Securities and Exchange Act of 1934. The supplemental information is the responsibility of the Company's management. The supplemental information has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. 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 Rule 17a-5 under the Securities and Exchange Act of 1934. In our opinion, the computation of net capital and determination of reserve requirements and information relating to possession or control requirement are fairly stated, in all material respects, in relation to the financial statements as a whole.

PricewaterhouseCoopers LLP

February 25, 2015

OneAmerica Securities, Inc.
Statement of Financial Condition
December 31, 2014

Assets

Cash	\$ 1,539,927
Deposits with clearing broker and clearing organization	30,000
Accrued commissions receivable	1,202,029
Prepaid expenses	21,987
Net deferred tax asset and income tax receivable	<u>148,149</u>
Total assets	<u>\$ 2,942,092</u>

Liabilities and stockholder's equity

Liabilities

Commissions payable	\$ 1,093,443
Due to parent	271,944
Accounts payable and accrued expenses	<u>267,947</u>
Total liabilities	<u>1,633,334</u>

Stockholder's Equity

Common stock, no par value, 1,000 shares authorized, 400 shares issued and outstanding at stated amount of \$75 per share	30,000
Additional paid-in capital	6,167,000
Accumulated deficit	<u>(4,888,242)</u>
Total stockholder's equity	<u>1,308,758</u>
Total liabilities and stockholder's equity	<u>\$ 2,942,092</u>

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

OneAmerica Securities, Inc.
Statement of Operations
For year ended December 31, 2014

Revenues	
Commissions	\$ 19,257,217
Revenue sharing	19,688,065
Investment advisor fees	3,469,172
Interest income	3,644
Total revenues	<u>42,418,098</u>
Expenses	
Sales commissions	15,997,479
Revenue sharing	19,688,065
Investment advisor fees	2,962,865
Salaries and employee benefits	1,422,743
General office expenses and administration, net	1,206,618
Regulatory licenses, payroll taxes and fees	291,236
Legal fees and expense	2,023,852
Other	177,887
Total expense	<u>43,770,744</u>
Loss before income taxes	(1,352,646)
Income tax expense (benefit)—federal and state (Note 3)	<u>(532,056)</u>
Net loss	<u>\$ (820,590)</u>

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

OneAmerica Securities, Inc.
Statement of Changes in Stockholder's Equity
For year ended December 31, 2014

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's Equity
Balance at December 31, 2013	\$ 30,000	\$ 5,667,000	\$ (4,067,652)	\$ 1,629,348
Capital contribution	-	500,000	-	500,000
Net loss	-	-	(820,590)	(820,590)
Balance at December 31, 2014	<u>\$ 30,000</u>	<u>\$ 6,167,000</u>	<u>\$ (4,888,242)</u>	<u>\$ 1,308,758</u>

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

OneAmerica Securities, Inc.
Statement of Cash Flows
For year ended December 31, 2014

Cash flows from operating activities	
Net loss	\$ (820,590)
Adjustments to reconcile net gain to net cash used by operating activities	
Net changes in assets and liabilities	
Decrease in accrued commissions receivable	34,823
Increase in prepaid expenses	(11,848)
Decrease in net deferred tax asset and other (due from parent)	40,534
Decrease in commissions payable	(90,308)
Decrease in accounts payable	(85,258)
Decrease in income tax payable	(22,334)
Increase in due to parent	172,091
Total adjustments	<u>37,700</u>
Net cash used by operating activities	<u>(782,890)</u>
 Cash flows from financing activities	
Proceeds from capital contribution	<u>500,000</u>
Net cash provided by financing activities	<u>500,000</u>
Net decrease in cash and cash equivalents	(282,890)
Cash and cash equivalents, beginning of year	<u>1,822,817</u>
Cash and cash equivalents, end of year	<u>\$ 1,539,927</u>
 Supplementary information	
Net cash received from parent for income taxes	<u>\$ 550,256</u>

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

OneAmerica Securities, Inc.
Notes to Financial Statements
December 31, 2014

1. Organization and Selected Significant Accounting Policies

Organization and Business

OneAmerica Securities, Inc. (the "Company") is a registered securities broker-dealer and was organized in 1969 as a wholly owned subsidiary of American United Life Insurance Company ("AUL") for the purpose of selling mutual fund shares. During 1998, pursuant to an agreement with the Financial Industry Regulatory Authority ("FINRA"), the Company was permitted to expand its business to act as an introducing securities broker-dealer for the sales of equity and fixed income securities. The Company is an introducing broker-dealer and registered investment advisor offering stock and bond trading, mutual funds, variable annuities, variable life insurance, fee-based asset management, alternative investments and fee-based financial planning.

Cash and Cash Equivalents

For the purpose of the statements of financial condition and cash flows, the Company considers all highly liquid instruments with maturity of three months or less to be cash equivalents. The carrying value of these equivalents approximates fair value.

Revenue Recognition

Commissions, investment advisor fees, and revenue sharing income from the sale of securities are recorded when earned, along with their related expenses, on a trade-date basis.

Related Parties

AUL furnishes personnel, office space and other services to the Company under a service agreement, which specifies monthly payment, by the Company, of the costs assigned to these services by AUL. The methodology for the determination of these costs is intended to approximate the actual costs incurred by AUL on behalf of the Company. For the year ended December 31, 2014, AUL provided certain administrative services to the Company for which it was reimbursed \$1,785,340. The Company provided certain administrative services to AUL for which it was reimbursed \$929,032. These amounts are included as part of general office expenses and administration, net in the statement of operations.

As discussed above, the Company has significant transactions with AUL. Because of this relationship, it is possible that the terms of these transactions are not the same as those that would result from transactions among unrelated parties.

For the year ended December 31, 2014, commission revenues and sales commission expenses include \$2,085,285 from AUL from the distribution of variable annuity and retirement products that are proprietary to AUL ("proprietary income") and \$285,962 of insurance agency income and expense. Additionally, \$19,688,065 of revenue sharing income and expense is included in the statement of operations. These amounts represent commission revenue and commission expense to AUL that require reporting through a broker dealer. The fees received are recognized as income and then subsequently paid to AUL representing an expense. The net income statement impact for proprietary income and expense, insurance agency income and expense, and revenue sharing income and expense is \$0.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of 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.

Financial Instruments

Management estimates that the aggregate carrying value of financial instruments (including receivables and payables) recognized on the statement of financial condition approximates their fair value; as such, financial instruments are short-term in nature, bear interest at current market rates, or are subject to frequent repricing.

Concentrations of Credit Risk in Financial Instruments

The Company's cash on deposit balance is held with Fifth Third Bank and US Bank and exceeds current Federal Deposit Insurance Corporation limits of \$250,000.

The clearing and depository operations for the Company's nonmutual fund securities transactions are performed by a single clearing broker pursuant to a clearance agreement. At December 31, 2014, the accrued commissions receivable reflected on the statement of financial condition includes \$123,215 representing amounts due from this clearing broker, who is a member of a nationally recognized exchange. The remaining \$1,078,815 consists of commission accounts receivable expected to be received. The Company consistently monitors the credit worthiness of the clearing broker to attempt to mitigate its exposure to credit risk.

Contingencies

In the normal course of its business, the Company is contingently liable to its clearing broker for cash payment requirements of customer securities transactions and the failure of delivery of securities sold by a customer.

Legal matters have arisen in the ordinary course of the Company's business. In each of the matters and collectively, the Company believes the ultimate resolution of such litigation will not result in any material adverse impact to operations or the financial condition of the Company. These matters are not probable or estimable and are not believed to be material for the Company.

During 2014, the Company paid \$1,380,000 for three separate legal settlements regarding alleged improprieties by certain registered representatives. The 2014 settlements included a payment to the State of Indiana's Secretary of State; however, the settlements are not believed to pose any significant ongoing financial or regulatory concerns for the Company.

2. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's net capital rule, which requires that the ratio of aggregate indebtedness to net capital, as defined, shall not exceed 15-to-1. The rule also provides that capital may not be withdrawn if the resulting net capital ratio would exceed 10-to-1.

At December 31, 2014, the Company had net capital, as defined, of \$1,038,253 and \$935,101 in excess of minimum requirements, and its ratio of aggregate indebtedness to net capital was 1.49 to 1.

3. Income Taxes

The Company is a member of a group that files a consolidated federal income tax return and may, depending on the jurisdiction, join certain members in filing consolidated state income tax returns. The Company is party to tax sharing agreements with AUL and OneAmerica Financial Partners, Inc. that principally provide that the Company will pay (or receive) an amount equal to the tax on its current year taxable income (or loss) generated. Such payments are made through routine intercompany settlements.

In accordance with the authoritative guidance on accounting for uncertainty in income taxes under GAAP, uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. This guidance requires the affirmative evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether it is more-likely-than-not (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for taxes payable (or a reduction of a tax refund receivable), including the recognition of any related interest and penalties as a component of tax incurred.

OneAmerica Securities, Inc.
Notes to Financial Statements
December 31, 2014

Open tax years are those that are open to examination by the tax authorities (i.e., the last 4 tax year-ends and the interim tax period since then). No federal income tax examinations are in progress and the Company has not been formally apprised of the Internal Revenue Service's intent to audit open tax years.

As of December 31, 2014, management of the Company has reviewed all open tax years and concluded that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken or expected to be taken in future tax returns. The Company is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

The net income tax benefit for the year ended December 31, 2014, is as follows:

	Federal	State	Total
Current income tax expense/(benefit)	\$ (474,454)	\$ (98,979)	\$ (573,433)
Deferred income tax expense/(benefit)	56,382	(15,005)	41,377
Net income tax expense/(benefit)	<u>\$ (418,072)</u>	<u>\$ (113,984)</u>	<u>\$ (532,056)</u>

The current tax receivable and deferred tax asset for federal and state taxes for the year ending December 31, 2014, is as follows:

Current receivable	\$ 843
Deferred tax asset	147,306
	<u>\$ 148,149</u>

The net deferred tax asset is primarily composed of temporary differences related to non-deductible accruals, state net operating loss carryforwards, and other state taxes differences. The gross deferred tax asset is \$174,901 while the deferred tax liability is \$27,595.

A reconciliation of the income tax attributable to continuing operations computed at the federal statutory tax rate to the income tax expense included in the statement of operations, for the year ended December 31, 2014, is as follows:

Income tax benefit at statutory tax rate (35%)	\$ (473,426)
Nondeductible expenses	15,460
State and local taxes, net of federal tax	(74,090)
Income tax benefit	<u>\$ (532,056)</u>

4. Fair Value Measurements

Fair value is defined as 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. Authoritative guidance establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value based on their observability. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels.

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. These generally provide the most reliable evidence to and are used to measure fair value whenever available. Active markets provide current pricing data on a more frequent basis.

Level 2 – Fair value is based on quoted prices for similar assets or liabilities in active markets, inactive markets, or model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

OneAmerica Securities, Inc.
Notes to Financial Statements
December 31, 2014

Level 3 – Fair value is based on valuations derived from techniques in which one or more significant inputs or significant value drivers are unobservable for assets or liabilities.

At December 31, 2014, the Company did not have any securities owned; securities sold, or not yet purchased, which are carried at fair value on a recurring or non-recurring basis. The Company did not have any Level 3 securities during the year.

5. Indemnifications

Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnification. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company. However, based on experience, the Company expects the risk of loss to be remote.

6. Subsequent Events

Management has evaluated the impact of all subsequent events through February 25, 2015, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Supplementary Information

OneAmerica Securities, Inc.
Computation of Net Capital
Under Securities and Exchange Commission Rule 15c3-1
December 31, 2014

Total stockholder's equity	\$ 1,308,758
Nonallowable assets	
Prepaid expenses	(21,987)
Accounts receivable and deposits	(186,423)
Net deferred tax asset and income tax receivable	(148,149)
Other additions and or credits	
Discretionary bonus accrual (net of tax)	<u>86,054</u>
Net capital before haircuts	1,038,253
Haircuts	<u>-</u>
Net capital	1,038,253
Computation of Basic Net Capital Requirement	
Minimum net capital required (6 2/3% of aggregate indebtedness)	<u>103,152</u>
Excess net capital	<u>\$ 935,101</u>
Computation of Aggregate Indebtedness	
Commissions payable (net of discretionary bonus accrual)	\$ 1,007,390
Due to parent	271,944
Accounts payable and accrued expenses	<u>267,947</u>
Aggregate indebtedness	<u>\$ 1,547,282</u>
Ratio of aggregate indebtedness to net capital	<u>1.49 to 1</u>
Statement Pursuant to Paragraph (d)(4) of Rule 17a-5	

There were no material differences between the Computation of Net Capital under Rule 15c3-1 included in this audited report and the computation included in the Company's corresponding unaudited Part IIA Focus report filing as of December 31, 2014.

OneAmerica Securities, Inc.

Determination of Reserve Requirements and Information Relating to Possession or Control Requirement under Securities and Exchange Commission Rule 15c3-3

December 31, 2014

The Company claims exemption from Rule 15c3-3 of the Securities and Exchange Commission as provided by paragraph (k)(2)(ii). Accordingly, the Company is not required to submit a computation for determination of reserve requirements or information relating to possession or control requirements.

There were no material differences between the above information and the information included in the Company's corresponding unaudited Part IIA Focus report as of December 31, 2014.