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

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ANNUAL AUDITED REPORT
FORM X-17A-5 Mail Processing Section
PART III

SEC FILE NUMBER
8-65342

FACING PAGE FEB 27 2015

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 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Brown Advisory Securities, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

901 S. Bond Street, Suite 400

(No. and Street)

Baltimore

Maryland

21231

(City)

(State)

(Zip Code)

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

David M. Churchill, CFO

(410)-537-5400

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG, LLP

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

1 East Pratt Street

Baltimore

Maryland

21202

(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)

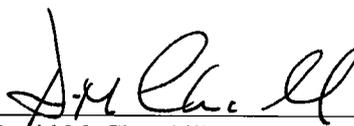
SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, **David M. Churchill**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Brown Advisory Securities, LLC (the "Company")** as of December 31, 2014, 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.


David M. Churchill

Chief Financial Officer
Title


Notary Public

DANA ANN WILLIAMS
Notary Public-Maryland
Baltimore County
My Commission Expires
October 25, 2015

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of 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).

BROWN ADVISORY SECURITIES, LLC

Financial Statements

(Together with Report of Independent Registered Public Accounting Firm
on Exemption Report Required by SEC Rule 17a-5)

December 31, 2014 and 2013

(With Report of Independent Registered Public Accounting Firm Thereon)



KPMG LLP
1 East Pratt Street
Baltimore, MD 21202-1128

Report of Independent Registered Public Accounting Firm

The Member
Brown Advisory Securities, LLC:

We have audited the accompanying statements of financial condition of Brown Advisory Securities, LLC as of December 31, 2014 and 2013, and the related statements of operations, changes in member's equity, and cash flows for the years then ended. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits 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 audits provide 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 Brown Advisory Securities, LLC as of December 31, 2014, and 2013, and the results of its operations, changes in member's equity, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The supplemental information contained in Schedules I, II, and III 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, the supplemental information contained in Schedules I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

KPMG LLP
KPMG LLP

Baltimore, Maryland
February 26, 2015

BROWN ADVISORY SECURITIES, LLC

Statements of Financial Condition

December 31, 2014 and 2013

(In thousands)

Assets	2014	2013
Cash and cash equivalents	\$ 2,177	3,797
Receivable from clearing organization	329	481
Prepaid expenses and other assets	245	119
Investment securities at fair value, cost of \$158 in 2014 and \$157 in 2013	159	153
Deposits with clearing organization	54	104
	<u>\$ 2,964</u>	<u>4,654</u>
Liabilities and Member's Equity		
Accrued compensation	\$ 337	1,238
Payable to clearing organization	45	40
Payable to affiliates	478	673
Accrued expenses and other payables	183	194
Total liabilities	<u>1,043</u>	<u>2,145</u>
Member's equity	<u>1,921</u>	<u>2,509</u>
	<u>\$ 2,964</u>	<u>4,654</u>

See accompanying notes to financial statements.

BROWN ADVISORY SECURITIES, LLC

Statements of Operations

Years ended December 31, 2014 and 2013

(In thousands)

	<u>2014</u>	<u>2013</u>
Revenues:		
Asset based fees	\$ 11,168	12,639
Commissions	2,533	3,017
Interest	297	280
Investment income, including realized and unrealized gains / (losses) of \$3 and (\$3) in 2014 and 2013, respectively	6	(3)
Other	21	25
	<u>14,025</u>	<u>15,958</u>
Operating expenses:		
Employee compensation and benefits	12,660	13,824
Service bureau	350	379
Occupancy and equipment	200	363
Promotional and travel	74	149
Communications	62	98
Other	1,267	1,237
	<u>14,613</u>	<u>16,050</u>
Net loss	<u>\$ (588)</u>	<u>(92)</u>

See accompanying notes to financial statements.

BROWN ADVISORY SECURITIES, LLC

Statements of Changes in Member's Equity

Years ended December 31, 2014 and 2013

(In thousands)

	<u>Capital contributions</u>	<u>Accumulated deficit</u>	<u>Total member's equity</u>
Balance at December 31, 2012	\$ 4,059	(1,958)	2,101
Contribution from member	500	—	500
Net loss	<u>—</u>	<u>(92)</u>	<u>(92)</u>
Balance at December 31, 2013	4,559	(2,050)	2,509
Net loss	<u>—</u>	<u>(588)</u>	<u>(588)</u>
Balance at December 31, 2014	<u>\$ 4,559</u>	<u>(2,638)</u>	<u>1,921</u>

See accompanying notes to financial statements.

BROWN ADVISORY SECURITIES, LLC

Statements of Cash Flows

Years ended December 31, 2014 and 2013

(In thousands)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Net loss	\$ (588)	(92)
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:		
Realized and unrealized (gains) / losses on investment securities	(6)	3
Changes in operating assets and liabilities:		
Receivable from clearing organization, net	157	90
Prepaid expenses and other assets	(126)	(3)
Deposits with clearing organization	50	—
Accrued compensation	(901)	(39)
Due to affiliates	(195)	413
Accrued expenses and other payables	(11)	78
Net cash provided by / (used in) operating activities	<u>(1,620)</u>	<u>450</u>
Cash flows provided by financing activity:		
Contribution from member	<u>—</u>	<u>500</u>
Net increase / (decrease) in cash and cash equivalents	(1,620)	950
Cash and cash equivalents at beginning of year	<u>3,797</u>	<u>2,847</u>
Cash and cash equivalents at end of year	<u>\$ 2,177</u>	<u>3,797</u>

See accompanying notes to financial statements.

BROWN ADVISORY SECURITIES, LLC

Notes to Financial Statements

December 31, 2014 and 2013

(1) Organization and Nature of Business

Brown Advisory Securities, LLC (the Company) is a broker dealer registered with the Securities and Exchange Commission (SEC). The Company's sole member is Brown Advisory Management, LLC (BAM). BAM is a subsidiary of Brown Advisory Incorporated (BAI). The Company is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

The Company introduces and forwards securities transactions on a fully disclosed basis to a carrying broker-dealer. The Company may be required to indemnify the carrying broker-dealer for losses resulting from the failure of the Company's customers to meet their obligations to pay for or deliver securities.

(2) Summary of Significant Accounting Policies

(a) *Commission Revenues and Related Expenses*

Commission revenues and related expenses are recorded on a trade date basis.

(b) *Asset Based Fees*

Asset based fees consist of referral fees and client account fees. Referral fees are generally based on the period-end fair value of the assets under management and are determined in arrears on a quarterly basis. Client account fees are generally based on the prior period-end fair value of the assets under management and are determined in advance on a quarterly basis.

(c) *Cash and Cash Equivalents*

The Company considers all investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. Cash equivalents are carried at amortized cost, which approximates fair value.

(d) *Income Taxes*

BAM, a multi-member LLC, is treated as a partnership for tax purposes and is the sole member of the Company. As a partnership, BAM is not subject to federal or state income taxes since such taxes are the responsibility of the BAM members. The Company is treated as a disregarded entity for tax purposes and is included in the partnership federal and state returns filed by BAM.

(e) *Investments*

Investment securities are classified as trading. Trading securities are those securities which are purchased and held principally for the purpose of selling them in the near term. Trading securities are recorded at fair value. Fair values are generally based on quoted market prices. If quoted market prices are not available, fair values are determined based on other relevant factors, including quoted market prices of similar securities. Unrealized gains and losses on trading securities are including in results of operations. Dividends and interest income are recognized when earned.

(f) *Stock-Based Compensation*

The cost of employee services received in exchange for stock compensation is measured based on the grant-date fair value of the employee stock options. Stock options are issued by BAI to employees of

BROWN ADVISORY SECURITIES, LLC

Notes to Financial Statements

December 31, 2014 and 2013

the Company. Stock-based compensation costs are allocated to the Company by BAI and cash settled monthly through intercompany transactions, which amounted to \$260,000 and \$476,000 for the years ended December 31, 2014 and 2013, respectively.

(g) 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. U.S. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements (note 4).

(h) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial condition and the amounts of revenues and expenses for the reporting period. Actual results may differ from those estimates.

(3) Investment Securities

Investment securities at fair value of \$159,000 and \$153,000 as of December 31, 2014 and 2013, respectively, consisted of a related mutual fund.

(4) Fair Value Measurements

In accordance with U.S. GAAP, the Company uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- 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.

Each financial instrument's level assignment within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement for that particular category.

The Company's investment is valued based on quoted market prices in an active market (Level 1 inputs). There were no transfers between levels related to the Company's investments in 2014 or 2013.

(5) Deposits with Clearing Organization

Deposits with clearing organization consisted primarily of money market funds at December 31, 2014 and 2013.

BROWN ADVISORY SECURITIES, LLC

Notes to Financial Statements

December 31, 2014 and 2013

(6) 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. At December 31, 2014, the Company had net capital of \$1,482,000 which was \$1,232,000 in excess of its required net capital of \$250,000. The Company's aggregate indebtedness to net capital ratio was 0.70 to 1 as of December 31, 2014.

(7) Risks

The following is a description of the significant risks facing the Company:

(a) *Off-Balance Sheet Risk*

In the normal course of business, the Company executes and enters into securities transactions that are carried and cleared by another broker-dealer on a fully disclosed basis. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. Amounts due from broker-dealer represent a concentration of credit risk. The risk of default depends on the creditworthiness of the counterparty. The Company does not anticipate nonperformance by its clearing broker. In addition, the Company has a policy of reviewing, as necessary, the credit standing of each counterparty with which it conducts business.

The agreement between the Company and its clearing agent provides that the Company is obligated to assume any exposure related to nonperformance by its customers. The Company seeks to minimize the risk of loss through procedures designed to monitor the creditworthiness of its customers and that transactions are executed properly by clearing agents.

(b) *Credit Risk*

Certain financial instruments, consisting of cash and cash equivalents and investments, potentially subject the Company to concentration of credit risk. The Company places its cash and cash equivalents in high quality financial institutions which, at times may exceed the Federal Deposit Insurance Company (FDIC) insurance limits. The Company has not experienced any losses in such accounts for the year-ended December 31, 2014. The Company's investment is a mutual fund. The Company minimizes its concentration of credit risk on investments by ensuring that transactions are indirectly undertaken with a large number of counterparties and on a recognized exchange.

(c) *Legal/Regulatory Risk*

The risk that changes in the legal or regulatory environment in which the Company operates could result in increased competition, reduced demand for the Company's products or services, or additional anticipated expenses incurred. The Company employs compliance and operating practices that identify and minimize the adverse impact of this risk. The Company additionally attempts to minimize adverse impact of this risk through a varied offering of products and services.

(8) Related Party Transactions

Pursuant to intercompany services agreements (Service Agreements) with Brown Advisory, LLC (BALLC), a subsidiary of BAM, BALLC allocates to the Company certain operating expenses, including occupancy,

BROWN ADVISORY SECURITIES, LLC

Notes to Financial Statements

December 31, 2014 and 2013

communications and data processing, advertising, and employee compensation and benefits. In 2014, certain employees transitioned from the Company to BALLC under a dual employment agreement. As these individuals continue to support the Company's clients, a portion of their compensation and administrative expenses are allocated to the Company from BALLC pursuant to a new Service Agreement. In 2014, \$4,777,000 was transferred under this new Service Agreement. Management believes that the Service Agreements result in the Company recognizing costs as incurred and in amounts related to the Company's economic obligations. The Company reimburses certain other affiliates for disbursements made on its behalf and for employee compensation costs related to certain compensation plans, including stock-based compensation plans. In addition, as compensation for referring clients, the Company is allocated a portion of fees earned by BALLC and Brown Investment Advisory & Trust Company, a subsidiary of BAI. Revenues from asset based fees included \$2,515,000 and \$5,184,000 in 2014 and 2013, respectively, related to these revenue sharing arrangements. The Company had a payable to affiliates in the amount of \$478,000 and \$673,000 at December 31, 2014 and 2013, respectively.

(9) Compensation Plans

The Board of Directors of BAI has approved the issuance of options to purchase its common stock and the issuance of shares of common stock to certain key employees of the Company. BAI made loans to the employees to fund the purchase of the common stock and made loans to certain employees pursuant to promissory notes upon the employees joining the Company. In addition, BAM has also issued loans to employees for the purpose of purchasing common units in the partnership. Compensation expense relating to loan forgiveness allocated to the Company by both BAI and BAM was \$55,000 and \$145,000 in 2014 and 2013, respectively.

BAM has a long term incentive plan for certain of its key executives and employees. This plan was established in 2013. Compensation expense allocated to the Company by BAM was \$7,000 and \$13,000 in 2014 and 2013, respectively.

BAI has a deferred compensation plan for certain of its key executives and employees. Compensation expense allocated to the Company by BAI was \$251,000 and \$409,000 in 2014 and 2013, respectively.

Options to purchase common stock of BAI have a 10-year term and generally vest over a graded schedule of up to 5 years from the grant date. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model using the weighted average assumptions in the following table. The Company uses historical data to estimate the expected term of the option, such as option exercise and post-vesting departure behavior. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The Company estimates its stock volatility by taking the average of the stock volatilities of a selected peer group of public asset management companies.

	<u>2014</u>	<u>2013</u>
Valuation assumptions:		
Expected dividend yield	0%	0%
Expected volatility	36.60%	36.35%
Expected term (years)	7.15	7.15
Risk-free interest rate	2.41%	1.39%

BROWN ADVISORY SECURITIES, LLC

Notes to Financial Statements

December 31, 2014 and 2013

The weighted average grant date fair value of options granted during the years 2014 and 2013 was \$33.53 and \$21.98, respectively. The total intrinsic value of options exercised during the years ended December 31, 2014 and 2013 was \$1,517,000 and \$5,684,000, respectively.

Stock option activity during the periods indicated is as follows:

	<u>Number of options</u>	<u>Weighted average exercise price</u>
Balance at December 31, 2012	389,136	\$23.74
Granted	26,209	53.99
Exercised	(122,901)	13.86
Forfeited	—	—
Expired	—	—
	<hr/>	
Balance at December 31, 2013	292,444	30.31
Transferred to related party	(227,484)	(34.82)
Granted	21,600	78.03
Exercised	(44,175)	(25.96)
Forfeited	(100)	(78.00)
Expired	—	—
	<hr/>	
Balance at December 31, 2014	<u>42,285</u>	\$36.95
Exercisable at December 31, 2014	30,585	\$29.78

The weighted average remaining contractual term of options outstanding and options currently exercisable is 4.42 and 3.13 years, respectively.

The total compensation cost for options recognized was \$260,000 and \$476,000 in 2014 and 2013, respectively. At December 31, 2014, there was \$165,000 of total unrecognized compensation cost related to nonvested option awards. That cost is expected to be recognized over a weighted average period of 2.94 years.

BROWN ADVISORY SECURITIES, LLC

Notes to Financial Statements

December 31, 2014 and 2013

(10) Contingencies

The Company is involved in legal actions arising in the normal course of its business. Management is of the opinion, after consultation with legal counsel, that there are no legal actions pending that could have a material adverse effect on the Company's financial condition or results of operations.

(11) Subsequent Events

The Company has evaluated subsequent events from the date of the statement of financial condition through February 26, 2015, the date at which the financial statements were issued, and determined there are no other items to disclose.

BROWN ADVISORY SECURITIES, LLC
 Computation of Net Capital Under SEC Rule 15c3-1
 December 31, 2014
 (In thousands)

Aggregate indebtedness	\$	1,043
Net capital:		
Total member's equity	\$	1,921
Deductions/charges:		
Nonallowable assets:		
Prepaid expenses and other assets		(245)
Receivable from clearing company		(135)
Other deductions:		
Haircuts		(59)
Net capital		<u>1,482</u>
Minimum required net capital (the greater of \$250,000 or 6.67% of aggregate indebtedness)		<u>250</u>
Excess net capital	\$	<u><u>1,232</u></u>
Ratio of aggregate indebtedness to net capital		70%
	or	0.70 to 1

There are no material differences between this computation and the computation filed by the Company on SEC Form X-17A-5 (FOCUS filing) as of and for the period ending December 31, 2014.

See accompanying independent registered public accounting firm report.

BROWN ADVISORY SECURITIES, LLC

Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3

December 31, 2014

None, the Company is exempt from Rule 15c3-3 pursuant to the provisions of subparagraph (k)(2)(ii)

See accompanying independent registered public accounting firm report.

BROWN ADVISORY SECURITIES, LLC

Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3

December 31, 2014

None, the Company is exempt from Rule 15c3-3 pursuant to the provisions of subparagraph (k)(2)(ii)

See accompanying independent registered public accounting firm report.



KPMG LLP
1 East Pratt Street
Baltimore, MD 21202-1128

Report of Independent Registered Public Accounting Firm

The Member
Brown Advisory Securities, LLC:

We have reviewed management's statements, included in the accompanying Brown Advisory Securities, LLC Exemption Report (the Exemption Report), in which (1) Brown Advisory Securities, LLC (the Company) identified the following provisions of 17 C.F.R. § 15c3-3 (k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k)(2)(ii) (the exemption provisions); and (2) the Company stated that it met the identified exemption provisions throughout the year ended December 31, 2014. The Company'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 the Company'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, we 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.

KPMG LLP
KPMG LLP

Baltimore, Maryland
February 26, 2015

BROWN ADVISORY SECURITIES, LLC

Exemption Report

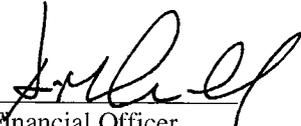
Brown Advisory Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1)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

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k): (2)(ii).

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

Brown Advisory Securities, LLC

I, David M. Churchill, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



Chief Financial Officer
February 26, 2015



KPMG LLP
1 East Pratt Street
Baltimore, MD 21202-1128

**Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures
Pursuant to SEC Rule 17a-5(e)(4)**

The Member
Brown Advisory Securities, LLC:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by Brown Advisory Securities, LLC (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted 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 amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2014 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved 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, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. 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 the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 26, 2015



KPMG LLP
1 East Pratt Street
Baltimore, MD 21202-1128

**Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures
Pursuant to SEC Rule 17a-5(e)(4)**

The Member
Brown Advisory Securities, LLC:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by Brown Advisory Securities, LLC (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted 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 amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2014 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved 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, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. 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 the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 26, 2015