



15049299

SEC
Mail Processing
Section

MAR 06 2015
Washington DC
408

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

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

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

SEC FILE NUMBER
8-28496

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Brechling Andersen Securities (a Proprietorship)

OFFICIAL USE ONLY
FIRM I.D. NO.

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

3250 Wilshire Blvd., Suite 1750-i

(No. and Street)

Los Angeles

(City)

CA

(State)

90010-1502

(Zip Code)

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

Erik Brechling Andersen

213-487-3360

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizabeth Tractenberg, CPA

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

3832 Shannon Road

(Address)

Los Angeles

(City)

CA

(State)

90027

(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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Ma
3/13

mm

OATH OR AFFIRMATION

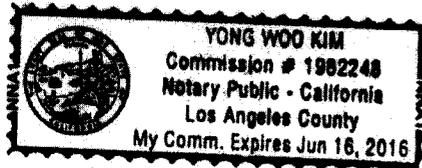
I, Erik Brechling Andersen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Brechling Andersen Securities, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None

Erik Brechling Andersen
Signature

PROPRIETOR
Title

[Handwritten Signature]
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).

Elizabeth Tractenberg, CPA

3832 SHANNON ROAD
LOS ANGELES, CALIFORNIA 90027
323/669-0545 – Fax 323/517-2625
elizabeth@tractenberg.net
PCAOB # 3621

Report of Independent Registered Public Accounting Firm

Erik Brechling Andersen
Brechling Andersen Securities
Los Angeles, CA

I have audited the accompanying statement of financial condition of Brechling Andersen Securities, a California sole proprietorship, as of December 31, 2014 and the related statements of income (loss), changes in proprietor's equity, and changes in financial condition for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. The sole proprietorship's management is responsible for these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of the sole proprietorship as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The information contained in Schedules I, II and III (the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of the sole proprietorship's financial statements. The supplemental information is the responsibility of the sole proprietorship's management. My 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 my opinion on the supplemental information, I evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Elizabeth Tractenberg, CPA
Los Angeles, CA
February 10, 2015

**Brechling Andersen Securities
(A Proprietorship)**

**Statement of Financial Condition
December 31, 2014**

ASSETS

Cash	\$ 11,270
Marketable Securities, at market value	47,960
Other assets	<u>1,397</u>
Total assets	\$ <u>60,627</u>

LIABILITIES AND PROPRIETOR'S EQUITY

Liabilities	\$ -
Proprietor's equity	<u>60,627</u>
Total liabilities and proprietor's equity	\$ <u>60,627</u>

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

**Brechling Andersen Securities
(A Proprietorship)**

**Statement of (Loss)
Year Ended December 31, 2014**

Revenues:

Mutual fund, including trail commissions	\$ 320
Quarterly mutual fund 128-1 fees	5,016
Interest	563
Unrealized gain on securities	8,160
Other - FINRA Rebate	1,205
	<hr/>
Total revenues	15,264

Expenses:

Rent	\$ 7,175
Dues, fees and assessments	1,610
Office expense	415
Professional fees	11,733
Fidelity bond	576
SIPC	7
Bank charges	21
	<hr/>
Total expenses	21,537
Net (Loss)	\$ <u>(6,273)</u>

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

**Brechling Andersen Securities
(A Proprietorship)**

**Changes in Proprietor's Equity
Year Ended December 31, 2014**

Balance, December 31, 2013	\$ 52,300
Proprietor's capital contributions	14,600
Net (loss)	<u>(6,273)</u>
Balance, December 31, 2014	\$ <u>60,627</u>

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

**Brechling Andersen Securities
(A Proprietorship)**

**Statement of Changes in Financial Condition
Year Ended December 31, 2014**

Cash flows from operating activities:		
Net loss		\$ (6,273)
Adjustments to reconcile net loss to net cash used for operations:		
Unrealized gain on securities	\$ (8,160)	
Increase in other assets	<u>(103)</u>	
Total adjustments		<u>(8,263)</u>
Net cash used by operating activities		(14,536)
Cash flows from investing activities		
Cash flows from financing activities:		
		<u>-</u>
Proprietor contributions	<u>14,600</u>	
Net cash used for financing activities		<u>14,600</u>
Net increase in cash		64
Cash at beginning of period		<u>11,206</u>
Cash at end of period		\$ <u>11,270</u>

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

**Brechling Andersen Securities
(A Proprietorship)**

**Notes to Financial Statements
December 31, 2014**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Brechling Andersen Securities is a proprietorship and registered as a broker/dealer maintaining its only office in Los Angeles, California. The firm is subject to a minimum net capital requirement of \$5,000 pursuant to SEC Rule 15c3-1. The Firm operates pursuant to the (k) (1) Exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities. Therefore, the Company is exempt from the computation for the determination of reserve requirements pursuant to Rule 15c3-3 as well as the disclosure of information relating to possession and control requirements pursuant to Rule 15c3-3. The business consists solely of mutual funds.

Method of Accounting

The firm maintains its records on the accrual basis of accounting.

Income Taxes

The proprietorship itself is not a taxpaying entity for purposes of federal and state income taxes. Such taxes of the proprietor are computed on his total income from all sources and, accordingly, no provision for income taxes is made in these statements.

SIPC

The SIPC assessment has been determined fairly in accordance with applicable instructions and was remitted timely. Effective December 31, 2014, all broker-dealers must file a copy of its Independent Auditor's Report with SIPC.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Marketable Securities/Fair Value

The Firm complies with current standards with respect to "Fair Value Measurements." The standards define fair value, thereby eliminating inconsistencies in guidance found in various prior accounting pronouncements, and increases disclosures surrounding fair value calculations. The standards establish a three-tiered fair value hierarchy that prioritizes inputs to valuation techniques used in fair value calculations. The three levels of inputs are defined as follows:

Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets accessible by the Firm at the measurement date.

Level 2 - Valuations based on inputs that are observable in the marketplace other than those inputs classified as Level 1.

**Brechling Andersen Securities
(A Proprietorship)**

**Notes to Financial Statements Continued
December 31, 2014**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3 - Valuations based on inputs that are unobservable in the marketplace and significant to the valuation.

The standards also require the Firm to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to their fair value calculation.

(2) MARKETABLE SECURITIES

Investment in securities at December 31, 2014, consists of trading securities comprised solely of NASDAQ common stock with a fair value of \$47,960 and an original cost of \$13,000.

Market value is established using Level 1 valuations in the hierarchy established by current standards as the securities are on national exchanges and the fair value is determined based on published market prices.

(3) RENTAL OF FACILITIES

The firm occupies space under a six month lease agreement. Total rent for 2014 amounted to \$7,175.

(4) NET CAPITAL

The firm is subject to a \$5,000 minimum capital requirement pursuant to SEC Rule 15c3-1, which requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Net capital and the related net capital ratio fluctuate on a daily basis; however, as of December 31, 2014, the net capital was \$48,439, which exceeded minimum net capital by \$43,439. The aggregate indebtedness to net capital ratio was not applicable because there was no aggregate indebtedness at that date.

(5) SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring after year-end through the date that the financial statements were available for issuance which was February 10, 2015. No transactions or events were found that were material enough to require recognition in the financial statements.

**Brechling Andersen Securities
(A Proprietorship)**

**Computation of Net Capital Pursuant to Rule 15c3-1
December 31, 2014**

Total proprietor's equity from statement of financial condition		\$ 60,627
Less non-allowable assets:		
Other assets	\$ 1,397	
Total adjustments		<u>(1,397)</u>
Net capital before haircuts		<u>59,230</u>
Haircuts:		
15% haircut on NASDAQ stock (NDAQ)	\$ (7,194)	
Undue concentration	<u>(3,597)</u>	
Total haircuts		<u>(10,791)</u>
Net capital		<u>\$ 48,439</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	\$ <u>5,000</u>
Net capital from above	\$ <u>48,439</u>
Excess net capital	\$ <u>43,439</u>

COMPUTATION OF RATIO OF AGGREGATE INDEBTEDNESS

Total liabilities	\$ -
Ratio of aggregate indebtedness to net capital	<u>N/A</u>
Percentage of debt to debt-equity total	<u>N/A</u>
Computed in accordance with Rule 15c3-1(d)	<u>N/A</u>

Net capital as reported in the unaudited Part IIA filing agrees with the audited net capital above.

**Brechling Andersen Securities
(A Proprietorship)**

**Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
December 31, 2014**

Not Applicable - The Firm is not required to prepare a Computation of Reserve Requirement pursuant to Rule 15c3-3 as it is a Proprietorship dealing solely in Mutual Funds transacted directly with the Fund. The Firm does not receive or deliver customer funds or securities and is exempt from Rule 15c3-3 pursuant to Section (k)(1).

**Brechling Andersen Securities
(A Proprietorship)**

**Information Relating to the Possession or Control Requirements Pursuant to Rule 15c3-3
December 31, 2014**

Not Applicable-The Firm is not subject to the requirements of Rule 15c3-3 Customer Protection - reserves and custody of securities with respect to physical possession or control as set forth in the rule as it does not receive or hold funds or securities and is exempt from SEC Rule 15c3-3 based on Section (k) (1).

Elizabeth Tractenberg, CPA

3832 SHANNON ROAD
LOS ANGELES, CALIFORNIA 90027
323/669-0545 – Fax 323/517-2625
elizabeth@tractenberg.net
PCAOB # 3621

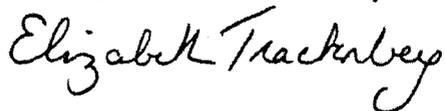
Report of Independent Registered Public Accounting Firm

To the Owner
Brechling Andersen Securities

I have reviewed management's statements, included in the accompanying Brechling Andersen Securities (the "Company") Exemption Report in which (1) the Company identified the following provisions of 17C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: ((k) (1) (the "exemption provisions") from June 1, 2014 to December 31, 2014, and (2) the Company stated that they met the identified exemption provisions from June 1, 2014 to December 31, 2014 (the Company's fiscal year end) without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

My 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, I do not express such an opinion.

Based on my review, I am 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) (1) of Rule 15c3-3 under the Securities Exchange Act of 1934 for the periods noted in paragraph 1 above.



Elizabeth Tractenberg, CPA
Los Angeles, CA
February 10, 2015

BRECHLING ANDERSEN SECURITIES
MEMBER FINANCIAL INDUSTRY REGULATORY AUTHORITY
MEMBER SECURITIES INVESTOR PROTECTION CORPORATION
ONE PARK PLAZA BLDG.
3250 WILSHIRE BLVD., SUITE 1750-I, LOS ANGELES, CALIFORNIA 90010
(213) 487-3360

Date 11-26-2014

Elizabeth Tractenberg, CPA
3832 Shannon Road
Los Angeles, CA 90027

Re: SEA Rule 17a-5(d) (4) Exemption Report

Dear Ms. Tractenberg:

Pursuant to the referenced rule, the following information is provided.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3 (K)(1), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers.

BRECHLING ANDERSEN SECURITIES
BD Name met the Section 204, 15c3-3 (K)(1) exemption for the period June 1, 2014 to December 31, 2014.

Sincerely, *Erik Brechling Andersen*

Name, Title PROPRIETOR