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

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PART III AUG 09 2016

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Washington DC

**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 01/01/15 AND ENDING 12/31/15
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: M Holdings Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1125 NW Couch Street, Suite 900

(No. and Street)

Portland
(City)

Oregon
(State)

97209
(Zip Code)

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

Marla Rogers (503)232-6980

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Baker Tilly Virchow Krause, LLP

777 E Wisconsin Ave, 32nd Floor
(Address)

Milwaukee
(City)

WI
(State)

53202
(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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WACB

OATH OR AFFIRMATION

I, Maria Rogers, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of M Holdings Securities, Inc., as of December 31, 2015, 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

Handwritten signature of Susan Cox Provencher

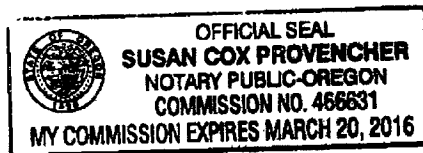
Signature

FINOP

Title

Handwritten signature of Notary Public

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).

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)
December 31, 2015 and 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
M Holdings Securities, Inc.

We have audited the accompanying statement of financial condition of M Holdings Securities, Inc. as of December 31, 2015, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of M Holdings Securities Inc's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for M Holdings Securities, Inc. for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on February 26, 2015.

We conducted our audit 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of M Holdings Securities, Inc. as of December 31, 2015, 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 supplemental information contained on pages 14-15 has been subjected to audit procedures performed in conjunction with the audit of M Holdings Securities, Inc's financial statements. The supplemental information is the responsibility of M Holdings Securities, Inc'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. § 240.17a5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
February 24, 2016

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Statements of Financial Condition

December 31, 2015 and 2014

Assets	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 6,101,874	\$ 9,170,294
Commissions receivable	5,329,572	5,669,193
Deposits with clearing organizations and others (note 3)	145,011	145,011
Accounts receivable	87,147	246,282
Prepaid expenses and other assets	32,145	57,581
Total assets	<u>\$ 11,695,749</u>	<u>\$ 15,288,361</u>
Liabilities		
Commissions payable	\$ 9,385,686	\$ 10,920,810
Payable to parent (note 5)	256,091	334,032
Other liabilities	19,144	213,501
Total liabilities	<u>9,660,921</u>	<u>11,468,343</u>
Stockholder's Equity		
Common stock, no par value. Authorized 1,000 shares; issued and outstanding 10 shares	25,000	25,000
Additional paid-in capital	29,328,696	32,078,696
Accumulated deficit	(27,318,868)	(28,283,678)
Total stockholder's equity	<u>2,034,828</u>	<u>3,820,018</u>
Total liabilities and stockholder's equity	<u>\$ 11,695,749</u>	<u>\$ 15,288,361</u>

See accompanying notes to financial statements.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Statements of Income

Years ended December 31, 2015 and 2014

	2015	2014
Revenues:		
Insurance commissions	\$ 131,959,372	\$ 131,884,705
Investment advisory fees	17,237,088	14,378,100
Mutual fund commissions	6,036,648	6,361,096
Supervisory fees	1,950,870	1,920,200
Securities commissions	1,244,484	1,169,992
Investment fees	1,199,602	1,023,573
Other income	812,530	595,284
Investment income	28,139	50,768
Total revenues	160,468,733	157,383,718
Expenses:		
Registered representative compensation	151,345,471	148,717,516
Employee compensation and benefits	4,502,008	4,555,638
Office	2,059,646	1,953,961
Outside professional services	804,120	739,025
General and administrative	421,229	338,083
Travel	207,521	229,017
Other	163,928	150,683
Total expenses	159,503,923	156,683,923
Net income	\$ 964,810	\$ 699,795

See accompanying notes to financial statements.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Statements of Changes in Stockholder's Equity

Years ended December 31, 2015 and 2014

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balances as of January 1, 2014	10	\$ 25,000	\$ 32,078,696	\$ (28,983,473)	\$ 3,120,223
Net income	—	—	—	699,795	699,795
Balances as of December 31, 2014	10	25,000	32,078,696	(28,283,678)	3,820,018
Dividends to parent			(2,750,000)	—	(2,750,000)
Net income	—	—	—	964,810	964,810
Balances as of December 31, 2015	<u>10</u>	<u>\$ 25,000</u>	<u>\$ 29,328,696</u>	<u>\$ (27,318,868)</u>	<u>\$ 2,034,828</u>

See accompanying notes to financial statements.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Statements of Cash Flows
Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net income	\$ 964,810	\$ 699,795
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	—	795
Changes in operating assets and liabilities:		
Commissions receivable	339,621	(945,802)
Accounts receivable	159,135	794,822
Prepaid expenses and other assets	25,436	(17,244)
Commissions payable	(1,535,124)	2,143,498
Payable to parent	(77,941)	(899,186)
Other liabilities	(194,357)	(799,873)
Net cash provided by (used in) operating activities	<u>(318,420)</u>	<u>976,805</u>
Cash flows from financing activities:		
Dividends to parent	<u>(2,750,000)</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	(3,068,420)	976,805
Cash and cash equivalents at beginning of year	<u>9,170,294</u>	<u>8,193,489</u>
Cash and cash equivalents at end of year	<u>\$ 6,101,874</u>	<u>\$ 9,170,294</u>

See accompanying notes to financial statements.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

(1) Basis of Presentation and Significant Accounting Policies

(a) Organization and Nature of Business

M Holdings Securities, Inc. (the Company), an Oregon corporation, was incorporated on March 21, 1997. The Company is registered as a securities broker pursuant to the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a wholly owned subsidiary of M Financial Holdings Incorporated (the Parent). The Company is also a Registered Investment Advisor pursuant to the Investment Advisors Act of 1940. The Company has been appointed as exclusive agent and distributor for M Fund, Inc., a registered investment company and an affiliate of the Parent. M Fund, Inc. offers its shares to separate accounts of certain insurance companies as the underlying funding vehicle for certain life insurance policies offered by Member Firms. The Company commenced retail operations in May 2000.

The Company is engaged as an introducing broker-dealer and registered investment adviser, which comprises several classes of services, including but not limited to insurance and investment advisory business, and agency transactions.

(b) Basis of Presentation

The financial statements and footnotes have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

(c) Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as transactions occur. Amounts receivable and payable for transactions that have not reached their contractual settlement date are recorded gross on the Statements of Financial Condition.

(d) Investment Advisory and Supervisory Fees

Investment advisory fees are recognized as earned on a pro rata basis over the term of the contract. Supervisory fees are recognized as earned.

(e) Accounts Receivable

Management believes accounts receivable at December 31, 2015 and 2014 are collectible; accordingly, no provision for uncollectible accounts has been recorded.

(f) Cash and Cash Equivalents

The Company's cash and cash equivalents consist of bank deposits and money market instruments. For purposes of the Statements of Financial Condition and Cash Flows, the Company considers all highly liquid debt instruments with a remaining maturity of three months or less, when purchased, to be cash equivalents. The amounts may exceed federally insured limits but we do not believe we are exposed to any significant risk.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is recorded upon placement in service, using the double-declining-balance method over estimated useful lives of three to seven years. The mid-quarter or half-year convention is utilized and is applied in the year of purchase. The convention is contingent on the percentage of property and equipment that was placed into service in the fourth quarter compared to the first three quarters of the year. If over 40% of the total property and equipment additions for the year are placed into service during the fourth quarter, the mid-quarter convention will be utilized for these additions. If less than 40% of total additions for the year occur in the fourth quarter, the half-year convention will be utilized.

The Company capitalizes software if the related software product under development has reached technological feasibility. Costs incurred prior to the establishment of technological feasibility are expensed as incurred. The Company amortizes software over a three-year period.

(h) Income Taxes

The Company is included in the consolidated federal income tax return filed by the Parent. The Company recognizes deferred income taxes for the tax consequences in future years of the differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end, based upon statutory income tax rates applicable to the periods in which the differences are expected to affect taxable income. The Company provides a valuation allowance, if necessary, to reduce deferred income tax assets, if any, to their estimated realizable values.

The Company recognizes and measures its unrecognized income tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized income tax benefits is adjusted when new information is available, or when an event occurs that requires a change. As of December 31, 2015 and 2014, the Company did not have any unrecognized income tax benefits.

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Subsequent Events

The Company has evaluated subsequent events through the date that the financial statements were issued, noting none.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

(2) Property and Equipment

As of December 31, 2015 and 2014, property and equipment consists of the following:

	2015	2014
Capitalized software	\$ 612,741	\$ 612,741
Equipment	88,314	88,314
	701,055	701,055
Less accumulated depreciation	(701,055)	(701,055)
	\$ —	\$ —

The Company disposed of fully depreciated fixed assets of \$422,588 in 2014. No gain or loss was realized on the disposal. Direct depreciation expense for the years ended December 31, 2015 and 2014 was \$0 and \$795, respectively.

(3) Deposits with Clearing Organizations and Others

The Company settles commissions and other transactions through another broker-dealer, Pershing LLC (Pershing), on a fully disclosed basis.

The Company follows the guidance prescribed in a Securities and Exchange Commission (SEC) No-Action Letter (the Letter) dated November 3, 1998, which allows introducing broker-dealers to include assets in the proprietary account of an introducing broker-dealer (PAIB assets) as allowable assets in their net capital computations, providing the clearing broker-dealer establishes a separate reserve account for PAIB assets in accordance with SEC Rule 15c3-3 and both the introducing broker-dealer and the clearing broker-dealer enter into a written agreement in accordance with the Letter. On September 6, 1999, the Company and Pershing entered into a written agreement in accordance with the provisions of the Letter. The agreement requires Pershing to calculate the reserve requirement in accordance with the Letter.

As of December 31, 2015 and 2014, Pershing computed the reserve requirement for proprietary accounts of the introducing broker-dealer. The amount held on deposit in the Company's reserve bank account is \$100,000 as of December 31, 2015 and 2014 (included in deposits with clearing organizations and others in the Statements of Financial Condition).

As of December 31, 2015 and 2014, the Company held \$20,000 on deposit with the National Securities Clearing Corporation and \$25,000 with Financial Database Services (included in deposits with clearing organizations and others in the Statements of Financial Condition).

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

(4) Net Capital and Reserve Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital as defined, equal to the greater of \$250,000 or 2% of the aggregate debit balances arising from customer transactions, as defined. The net capital rule of the “applicable” exchange also provides that equity capital may not be withdrawn or cash dividends paid if resulting net capital would be less than 5% of aggregate debits. As of December 31, 2015 and 2014, the Company has regulatory net capital of \$1,867,158 and \$3,479,748, which is \$1,617,158 and \$3,229,748 in excess of its required net capital of \$250,000.

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) of the Rule because all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

(5) Related-Party Transactions

The Company’s Parent allocates certain overhead and indirect expenses to the Company. These overhead and indirect expenses include those expenses related to shared occupancy, equipment, utilities, employees, supplies and administrative costs of the Company. Direct expenses are incurred and expensed by the Company. Such direct expenses include registrations, assessments, fees, marketing, taxes, insurance, outside professional services, compensation related to production, and supplies, which are specific to the Company. All expenses are paid by the Parent and then reimbursed by the Company to the Parent. As of December 31, 2015 and 2014, \$256,091 and \$334,032, respectively, is payable to the Parent for expenses.

The Company, by mutual agreement with the Parent, has established a minimum net capital balance of \$300,000. To the extent that the reimbursement of expenses will cause net capital to decline below \$300,000, the Parent will make additional capital contributions to maintain a net capital balance of at least \$300,000.

The Company currently earns net income to support its operations, however, the Parent has represented that in the event the Company may no longer have revenues large enough to fund its operations, the Parent will provide financial support to the Company until such time that the revenues earned are sufficient to cover the Company’s operating expenses and required net capital.

In cases where the Company has excess capital from operations it may pay dividends to its Parent. In 2015 the Company paid dividends to its Parent of \$2,750,000. There were no dividend payments in 2014.

As of December 31, 2015 and 2014, the Company has approximately \$81,000 and \$28,000, respectively, in amounts payable to Registered Representatives who are employees of Management Compensation Group Northwest, LLC (dba M Benefit Solutions), a wholly owned subsidiary of the Parent. These amounts are included in commissions payable in the Statements of Financial Condition. The commission expense between M Benefit Solutions (included in registered representative compensation in the Statements of Income) amounted to approximately \$2,587,000 and \$3,271,000 for the years ended December 31, 2015 and 2014, respectively.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

(6) Income Taxes

The Company is included in the consolidated federal income tax return filed by its Parent. The Company also files consolidated and separate income tax returns in various states. With few exceptions, the Company is no longer subject to examination by taxing authorities for years prior to 2009. For purposes of the financial statements, federal and state income taxes are calculated as if the Company filed separate federal and state income tax returns.

The reconciliation of the amounts computed by applying the statutory U.S. federal income tax rate of 35% to the net income for 2015 and 2014 is as follows:

	2015	2014
Computed income tax expense	\$ 338,494	\$ 247,501
Increase in income tax expense resulting from:		
State income tax	279,605	66,554
Meals and entertainment	9,458	8,059
Political contributions	7,037	9,055
Total income tax expense	634,594	331,169
Valuation allowance	(634,594)	(331,169)
Total income tax incurred	\$ —	\$ —

Incentive Compensation Plan (ICP) expense is recorded within the financial statements of the Parent. The Company is allocated a percentage of the ICP expense deduction for stand-alone income tax reporting purposes. The impact of this deduction is recognized in the temporary differences of the deferred income tax assets. The temporary differences that give rise to significant components of the deferred income tax assets and liabilities as of December 31, 2015 and 2014, relate to the following:

	2015	2014
Deferred income tax assets:		
Net operating loss carryforward	\$ 10,006,105	\$ 10,136,925
Deferred state income taxes, net of federal income tax effect	1,489,620	1,713,712
Deferred rent	381	8,611
Total deferred income tax assets	11,496,106	11,859,248
Valuation allowance	(11,496,106)	(11,859,248)
Net deferred income tax assets	\$ —	\$ —

As of December 31, 2015, the Company has net operating loss carryforwards of \$28,569,285 that will expire starting in the year 2020 through the year 2033.

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

As noted above, management has established valuation allowances of \$11,496,106 and \$11,859,248 as of December 31, 2015 and 2014, respectively, to fully reserve against its deferred income tax assets as the Company's deferred income tax assets do not expect to be realized.

(7) Concentrations of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, insurance companies and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

(8) Disclosures about Fair Value of Financial Instruments

The financial instruments of the Company, which consist of cash and cash equivalents, are reported in the Statements of Financial Condition at market or fair values, or at carrying amounts that approximate fair values, because of the short maturities of the instruments.

(9) Commitments and Contingencies

The Company clears its securities transactions through clearing brokers. The clearing brokers have the right to charge the Company for losses that may result from a counterparty's failure to fulfill its contractual obligations. There is no maximum amount assigned to this right to charge and this applies to all trades executed through the clearing brokers. The Company also believes there is no maximum amount assignable to the right. As of December 31, 2015 and 2014, the Company has recorded no liabilities with regard to the right. During 2015 and 2014, the Company did not pay the clearing brokers any amounts related to these guarantees.

In the event of an early insurance policy lapse or partial surrender, there are certain situations where the Company may be charged back for commissions received. In these situations, the Company has the right to charge the Registered Representative and the Member Firm for the commissions paid to the Registered Representative associated with either the lapsed policy or partial surrender. In such a circumstance, the risk of default depends on the creditworthiness of the Registered Representative and the Member Firm. Any early insurance policy lapse or partial surrender amounts are included in accounts receivable and other liabilities, when appropriate.

The Company, its Parent and its Parent's subsidiaries, in common with the insurance industry in general, may be subject to litigation in the normal course of their business. In addition, the Company may be named in claims before FINRA relating to the actions of its Registered Representatives or before the SEC relating

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Notes to Financial Statements

December 31, 2015 and 2014

to the actions of its Investment Advisors. The Company maintains an insurance policy for errors and omissions which covers such claims. In the event of such claims, the Company is only liable for its per claim deductible with the insurance company. The Company's management does not believe that such litigation, any claims before FINRA, or any claims before the SEC, will have a material effect on its financial position.

(10) Regulatory Matters

As a regulated entity, the Company may be subject to certain audits, examinations, reviews, etc., by various regulatory agencies.

During 2014, the SEC conducted a routine cybersecurity exam which was closed with no material findings. During 2015, FINRA conducted a routine examination of the Company. The FINRA examination remains open as of December 31, 2015.

**SUPPLEMENTARY INFORMATION PURSUANT TO
RULE 17A-5 OF THE SECURITIES EXCHANGE ACT OF 1934**

M HOLDINGS SECURITIES, INC.
(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

Schedule I - Computation of Net Capital under
Rule 15c3-1 of the Exchange Commission

December 31, 2015

Computation of net capital:	
Total stockholder's equity in statement of financial condition	\$ 2,034,828
Less nonallowable assets:	
Commissions receivable	23,378
Accounts receivable	87,147
Deposits with clearing organizations and others	25,000
Prepaid expenses and other assets	<u>32,145</u>
Net capital	<u>\$ 1,867,158</u>
Computation of alternative net capital requirement:	
Minimum dollar net capital requirement (greater of 2% of aggregate debits or \$250,000)	\$ 250,000
Excess net capital	1,617,158
Net capital in excess of 5% of combined aggregate debits or 120% of minimum net capital requirement	1,567,158

There are no material differences between the above computation of net capital under Rule 15c3-1 and the corresponding computation prepared by the Company for inclusion in its unaudited Part IIA Focus Report as of December 31, 2015.

M HOLDINGS SECURITIES, INC.

(A Wholly Owned Subsidiary of M Financial Holdings Incorporated)

**Schedule II - Computation for Determination of Reserve Requirement and
Information Relating to Possession or Control Requirements under
Rule 15c3-3 of the Securities and Exchange Commission**

December 31, 2015

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) of the Rule because all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

M HOLDINGS SECURITIES, INC.

EXEMPTION REPORT

**Including Report of Independent Registered
Public Accounting Firm**

As of and for the Year Ended December 31, 2015

M HOLDINGS SECURITIES, INC.

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BAKER TILLY

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United States of America
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bakertilly.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
M Holdings Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) M Holdings Securities, Inc. identified the following provision of 17 C.F.R. § 15c3-3(k) under which M Holdings Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (2)(ii) (the "exemption provisions") and (2) M Holdings Securities, Inc. stated that M Holdings Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year except as described in its exemption report. M Holdings Securities, Inc.'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 M Holdings Securities, Inc.'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 conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
February 24, 2016

M Holdings Securities, Inc.
Exemption Report – 15c3-3(k)(2)(ii)

SEC Rule 15c3-3 ("15c3-3"), often called the Customer Protection Rule, outlines exemptions that limit the degree of interaction that a broker-dealer may have with customer assets. Paragraph (k) of 15c3-3 provides for exemptions to broker-dealers who meet certain conditions. M Holdings Securities, Inc. ("M Securities") meets the conditions under the exemption in 15c3-3, paragraph (k)(2)(ii) which states:

(k)(2): The provisions of this section shall not be applicable to a broker or dealer;

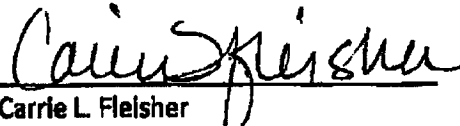
(ii): Who, as an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of §§ 240.17a-3 and 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer.

- 1. We acknowledge our responsibility for compliance with the identified exemption provisions of SEC Rule 15c3-3(k) throughout the most recent fiscal year, ending December 31, 2015.**
- 2. We have performed an evaluation of (1) our compliance with the identified exemption provisions, and (2) our controls for ensuring compliance and detecting non-compliance with the identified exemption provisions.**
- 3. M Securities identified the following provisions of SEC Rule 15c3-3(k) under which M Securities claimed an exemption from SEC Rule 15c3-3 under paragraph (k)(2)(ii), the exemption provisions.**
- 4. M Securities met the exemption provisions throughout the most recent fiscal year, with the following exceptions:**
 - a. On March 3, 2015, M Securities RIA received a check from a Registered Representative for \$230.00 representing a 2015 IRA Contribution to the Registered Representative's personal Roth IRA. The check was received by the Portland branch office of M Securities and sent to its clearing firm, Pershing LLC, for deposit to the client account.**
 - b. The following checks received are noted as exceptions because they were not forwarded to the vendor in the time frame required under SEC Rule 15c3-3(k)(2)(ii) and M Securities policies and procedures. Of the 7,238 checks**

received by M Securities branch offices in 2015, the following 9 exceptions represents less than .124% of all checks received.

Date Received	Date Forwarded	Amount	Vendor
4-24-2015	4-28-2015	\$43,109.58	Pershing
1-5-2015	1-8-2015	\$6,000.00	SEI
1-5-2015	1-8-2015	\$6,000.00	SEI
2-11-2015	2-18-2015	\$58,206.12	American Funds
2-17-2015	2-27-2015	\$200.00	TIAA Cref
7-21-2015	7-23-2015	\$50,000.00	Pershing
7-21-2015	8-6-2015	\$750.00	Fidelity S29
9-25-2015	9-30-2015	\$2,000.00	American Funds
12-7-2015	12-30-2015	\$44,000.00	Pershing

5. We are not aware of any other known exceptions to the exemption provisions that existed during the year ended December 31, 2015.



Carrie L. Fleisher
Vice President
Chief Risk & Compliance Officer
M Holdings Securities, Inc.

2-23-2016
Date

M HOLDINGS SECURITIES, INC

AGREED UPON PROCEDURES

Including Form SIPC-7

As of and for the Year Ended December 31, 2015

M HOLDINGS SECURITIES, INC.

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bakertilly.com

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To the Board of Directors of
M Holdings Securities, Inc.

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, 2015, which were agreed to by M Holdings Securities, Inc. (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and 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 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:

Procedures performed:

1. Compared listed assessment payments in Form SIPC-7 with respective cash disbursement records noting no differences.
2. Compared the amounts reflected in the audited Form X-17A-5 for the year ended December 31, 2015 with amounts reported in the Form SIPC-7 for the year ended December 31, 2015 noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and workpapers noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related supporting schedules and workpapers supporting the adjustments, 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, and is not intended to be and should not be used by anyone other than the Specified Parties.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
February 24, 2016

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185
202-371-9300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended December 31, 2015

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

050214 FINRA DEC

M Holdings Securities, Inc.
1125 NW Couch St Ste 900
Portland OR 97209-4129

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Maria Rogers 503-414-7260

WORKING COPY

2. A. General Assessment (Item 2a from page 2)	\$ <u>20,333</u>
B. Less payment made with SIPC-6 filed (exclude interest)	(<u>9,260</u>)
<u>7/23/15</u>	
Date Paid	
C. Less prior overpayment applied	(_____)
D. Assessment balance due or (overpayment)	<u>11,073</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	_____
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>11,073</u>
G. PAID WITH THIS FORM:	
Check enclosed, payable to SIPC	
Total (must be same as F above)	\$ <u>11,073</u>
H. Overpayment carried forward	\$(_____)

3. Subsidiaries (S) and predecessors (P) Included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

M Holdings Securities, Inc.

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

FINOP

(Title)

Dated the 24 day of February 20 16

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations _____ Documentation _____ Forward Copy _____

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/15
and ending 12/31/15

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$ 160,468,733

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining Item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

160,468,733

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 18(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

\$ for \$ cost reimbursement/supervisory fees

(Deductions in excess of \$100,000 require documentation)

150,384,484

1,950,870

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ _____

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ _____

Enter the greater of line (i) or (ii)

Total deductions

152,335,354

2d. SIPC Net Operating Revenues

\$ 8,133,379

2e. General Assessment @ .0025

\$ 20,333

(to page 1, line 2.A.)