



16022435

DN  
EC

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2017
Estimated average burden hours per response . . . 12.00

Securities and Exchange  
RECEIVED  
DEC 06 2016

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

Mail Processing Section  
DEC 02 2016

SEC FILE NUMBER
8 - 41372

FACING PAGE 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 10/01/15 AND ENDING 9/30/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
**Bullish Bob Bagley Securities, Inc.**

OFFICIAL USE ONLY
FIRM ID. NO.

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

2535-A Cedar Springs

(No. and Street)

Dallas  
(City)

Texas  
(State)

75201  
(Zip Code)

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

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Phillip V. George, PLLC

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

5179 CR 1026  
(Address)

Celeste  
(City)

Texas  
(State)

75423  
(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.

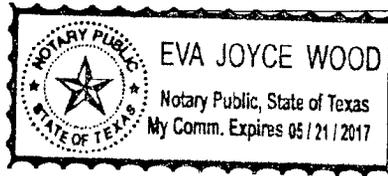
OATH OR AFFIRMATION

I, Robert M. Bagley, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bullish Bob Bagley Securities, Inc., as of September 30, 2016, 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

[Signature]  
Signature  
CEO

Eva Joyce Wood  
Notary Public



Title

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 Proprietor's 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).

## CONTENTS

---

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
---	---

---

FINANCIAL STATEMENTS	
Statement of financial condition	2
Statement of income	3
Statement of changes in stockholder's equity	4
Statement of cash flows	5
Notes to financial statements	6 - 11
Supplemental information pursuant to Rule 17a-5	12

---

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	13
Exemption report	14

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Statement of Financial Condition**  
**September 30, 2016**

**ASSETS**

Cash	\$ 3,096
Prepaid expenses	1,535
Securities owned	<u>23,985</u>

**TOTAL ASSETS** \$ 28,616

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Liabilities**

Payable to clearing broker/dealer	<u>\$ 1,967</u>
-----------------------------------	-----------------

**Stockholder's Equity**

Common stock, \$1.00 par value, 10,000 shares authorized, 1,000 shares issued and outstanding	1,000
Additional paid-in capital	136,151
Accumulated deficit	<u>(110,502)</u>

**TOTAL STOCKHOLDER'S EQUITY** 26,649

**TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY** \$ 28,616

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Statement of Income**  
**Year Ended September 30, 2016**

**Revenue**

Securities commissions	\$ 20,007
Office and administrative services	<u>16,665</u>
<b>TOTAL REVENUE</b>	<u><u>36,672</u></u>

**Expenses**

Clearing charges	29,976
Occupancy and equipment	20,856
Communication	1,815
Regulatory fees and expenses	425
Compensation and related costs	1,754
Other expenses	<u>4,195</u>
<b>TOTAL EXPENSES</b>	<u><u>59,021</u></u>

Net loss before net other loss	<u><u>(22,349)</u></u>
--------------------------------	------------------------

**Other Gain (Loss)**

Realized loss on securities owned	(81,005)
Unrealized gain on securities owned	<u>78,612</u>

Net other loss	<u><u>(2,393)</u></u>
----------------	-----------------------

<b>NET LOSS</b>	<u><u><u>\$ (24,742)</u></u></u>
-----------------	----------------------------------

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Statement of Changes in Stockholder's Equity**  
**Year Ended September 30, 2016**

	<u>Common Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balances at September 30, 2015	1,000	\$ 1,000	\$ 107,151	\$ (85,760)	\$ 22,391
Additional capital contributions	-	-	29,000	-	29,000
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,742)</u>	<u>(24,742)</u>
Balances at September 30, 2016	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 136,151</u>	<u>\$ (110,502)</u>	<u>\$ 26,649</u>

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Statement of Cash Flows**  
**Year Ended September 30, 2016**

**Cash flows from operating activities:**

Net loss	\$ (24,742)
Adjustments to reconcile net loss to net cash used in operating activities:	
Realized loss on securities owned	81,005
Unrealized gain on securities owned	(78,612)
Changes in assets and liabilities	
Decrease in receivable - other	1,400
Increase in prepaid expenses	(1,535)
Increase in payable to clearing broker/dealer	<u>98</u>
Net cash used in operating activities	<u>(22,386)</u>

**Cash flows from investing activities:**

Purchase of securities owned	(23,836)
Proceeds from sale of securities owned	<u>4,765</u>
Net cash used in investing activities	<u>(19,071)</u>

**Cash flows from financing activities:**

Additional capital contributions	<u>29,000</u>
Net change in cash	(12,457)
Cash at beginning of year	<u>15,553</u>
Cash at end of year	<u><u>\$ 3,096</u></u>

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the year for:

Interest	<u><u>\$ -</u></u>
Income taxes	<u><u>\$ -</u></u>

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies**

Nature of Business:

Bullish Bob Bagley Securities, Inc. (the Company) was organized in May 1989 as a Texas corporation. The Company is a broker/dealer in securities registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC).

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, and accordingly, is exempt from the remaining provisions of that Rule. The Company does not hold customer funds or securities, but as an introducing broker or dealer, will clear all transactions on behalf of customers on a fully disclosed basis through a clearing broker/dealer. Relating to the Possession and Control Requirements are not required.

The Company's operations consist primarily of providing securities brokerage services to individuals located in the state of Texas.

Significant Accounting Policies:

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 the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Securities owned are held for investment purposes and are recorded at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*.

The Company's other financial asset and liability amounts reported in the statement of financial condition are short-term in nature and approximate fair value.

Securities Owned

Securities owned are held for investment purposes and are recorded at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*. The increase or decrease in fair value is credited or charged to operations.

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies (Continued)**

Security Transactions

Security transactions and the related commission revenue and expense are recorded on a trade date basis.

Income Taxes

As of September 30, 2016, open Federal tax years include the tax years ended September 30, 2013 through September 30, 2015.

The Company is also subject to state income taxes.

**Note 2 - Transactions with Clearing Broker/Dealer**

The Company has an agreement with a national clearing broker/dealer to provide clearing, execution and other related services. The agreement requires minimum monthly charges of \$2,000. The agreement also requires the Company to maintain a minimum of \$10,000 in accounts with the clearing broker/dealer.

**Note 3 - 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At September 30, 2016, the Company had net capital of \$21,516, which was \$16,516 in excess of its net capital requirement of \$5,000. The Company's net capital ratio was zero to 1.

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 - Fair Value / Securities Owned**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a hierarchy of fair value inputs. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- *Level 1.* Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- *Level 2.* Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly.
- *Level 3.* Unobservable inputs for the asset or liability.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2016.

Mutual fund: Valued at the daily closing price as reported by the fund.

Exchange traded fund: Valued at the last sale price on the exchange on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any reported sales, at the mean between the last available bid and asked price.

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 - Fair Value / Securities Owned (continued)**

The following table sets forth by level, within the fair value hierarchy, the Company's securities owned at fair value as of September 30, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual fund	\$ 1,039	\$ -	\$ -	\$ 1,039
Exchange traded fund	22,946	-	-	22,946
<b>Total</b>	<b><u>\$ 23,985</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 23,985</u></b>

Securities owned consist of holdings in one mutual fund and one exchange traded fund. Cost and fair value of securities owned at September 30, 2016, are as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Mutual fund	\$ 27,765	\$ -	\$ 26,726	\$ 1,039
Exchange traded fund	23,837	-	891	22,946
	<b><u>\$ 51,602</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 27,617</u></b>	<b><u>\$ 23,985</u></b>

There were no transfers between level 1 and level 2 during the year.

There were no assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) during the year ended September 30, 2016.

**Note 5 - Income Taxes**

The Company has a current year tax loss; therefore, there is no provision for current income taxes. The Company has a net operating loss carry forward of approximately \$88,000 available to offset future taxable income, which begins expiring in 2028. The Company also has a capital loss carryforward expiring in 2021. The net operating loss carryforward, capital loss carryforward, and cumulative unrealized losses on securities owned creates a deferred tax asset of approximately \$29,000, which is fully reserved with a valuation allowance, therefore, there is no deferred tax asset recognized in the accompanying statement of financial condition.

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 - Related Party Transactions/Economic Dependency/Concentration of Revenue**

The sole shareholder of the Company, a registered representative and officer of the Company, generated approximately 85% of the Company's commission revenue for the year ended September 30, 2016 and received no compensation. The Company is economically dependent upon the sole shareholder due to the concentration of revenue generated by the sole shareholder.

The Company received approximately \$1,400 per month for providing office space and administrative services to one of its registered representatives, under a verbal month-to-month agreement which was terminated effected September 30, 2016. Amounts earned by the Company under this agreement totaled \$16,665, or approximately 45% of the Company's total revenue, during the year ended September 30, 2016. The Company is economically dependent upon this representative due to the concentration of revenue earned under this agreement.

**Note 7 - Office Lease**

The Company currently leases office space on a month-to-month basis. The monthly lease payment is currently \$1,350. Office rent for the year totaled \$16,200 and is reflected in the accompanying statement of income as occupancy and equipment costs.

**Note 8 - Off-Balance-Sheet Risk**

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealer.

**Note 9 - Concentration of Credit Risk**

The Company has \$25,069, or approximately 87%, of its total assets in cash and securities owned held at the Company's clearing broker/dealer, and \$1,967, or 100% of its liabilities, due to the Company's clearing broker/dealer at September 30, 2016.

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 10 - Contingencies**

There are currently no asserted claims or legal proceedings against the Company, however, the nature of the Company's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Company could have an adverse impact on the financial condition, results of operations, or cash flows of the Company.

**Note 11 - Subsequent Events**

Management has evaluated the Company's events and transactions that occurred subsequent to September 30, 2016, through November 10, 2016, the date which the financial statements were available to be issued.

The Company's sole shareholder made an additional capital contribution of \$2,000 in October 2016.

The Company plans to terminate its month-to-month office lease effective November 30, 2016.

**Schedule I**

**BULLISH BOB BAGLEY SECURITIES, INC.**  
**Supplemental Information**  
**Pursuant to Rule 17a-5**  
**September 30, 2016**

**Computation of Net Capital**

Total stockholder's equity qualified for net capital	<u>\$ 26,649</u>
Deductions and/or charges	
Non-allowable assets:	
Prepaid expenses	<u>1,535</u>
Total deductions and/or charges	<u>1,535</u>
Net capital before haircuts on securities	<u>25,114</u>
Haircuts on securities	
Securities owned	<u>\$ 3,598</u>
Net Capital	<u><u>\$ 21,516</u></u>
Aggregate indebtedness	<u><u>\$ -</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u><u>\$ 5,000</u></u>
Net capital in excess of minimum requirement	<u><u>\$ 16,516</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>Zero to 1</u></u>

**Reconciliation of Computation of Net Capital**

Net Capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 18,051
Deduction for excess fidelity bond deductible taken by Company incorrectly	5,000
Non-allowable asset (prepaid expenses) classified as allowable by Company	<u>(1,535)</u>
Net Capital per the preceding	<u><u>\$ 21,516</u></u>

**Statement Regarding Changes in Liabilities Subordinated to Claims of General Creditors**

No statement is required as no subordinated liabilities existed at any time during the year.

**Statement Regarding the Exemption from Reserve Requirements and Possession or Control Requirements**

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, in which all customer transactions are cleared on a fully disclosed basis through a clearing broker/dealer. Under these exemptive provisions, the Computation of Determination of the Reserve Requirements and Information Relating to the Possession or Control Requirements are not required.

See accompanying report of independent registered public accounting firm.

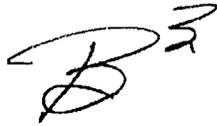
## BULLISH BOB BAGLEY SECURITIES, INC.'S EXEMPTION REPORT

Bullish Bob Bagley Securities, Inc. (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.

BULLISH BOB BAGLEY SECURITIES, INC.,

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



President and Financial and Operations Principal  
October 23, 2016