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

SEC FILE NUMBER
8- 53601

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 01/01/2018 AND ENDING 12/31/2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Brentwood Capital Advisors LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
5000 Meridian Blvd., Ste. 350

(No. and Street)

<u>Franklin</u>	<u>TN</u>	<u>37067</u>
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Kevin L. Murphy 615.224.3816  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Cherry Bekaert LLP

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

<u>200 South 10th Street, Ste. 900</u>	<u>Richmond</u>	<u>VA</u>	<u>23219</u>
(Address)	(City)	(State)	(Zip Code)

**SEC Mail Processing**

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

MAR 01 2019

Washington, DC

<b>FOR OFFICIAL USE ONLY</b>

\*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)

RMS

OATH OR AFFIRMATION

I, Kevin L. Murphy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Brentwood Capital Advisors LLC, as of December 31, 2018, 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:

\_\_\_\_\_  
\_\_\_\_\_

Angela B. Byrd  
Notary Public



Kevin L. Murphy  
Signature

Managing Partner  
Title

This report \*\* contains (check all applicable boxes).

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(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).



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
Brentwood Capital Advisors, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Brentwood Capital Advisors, LLC (the "Company") identified the following provisions of 17 C.F.R. Section 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. Section 240.15c3-3: ((k)(2)(i)) ("exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Cherry Bekaert LLP*

Nashville, Tennessee  
February 25, 2019

**BRENTWOOD  
CAPITAL  
ADVISORS**

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Audited Financial Statements**  
**December 31, 2018**

## Table of Contents

	<u>Page</u>
Facing Page – Form X-17A-5, Part III .....	1-2
Independent Auditor’s Report .....	3
Financial Statements:	
Statement of Financial Condition .....	4
Statement of Operations and Members’ Equity .....	5
Statement of Cash Flows .....	6
Notes to the Financial Statements .....	7-13
Supplemental Schedules:	
Operating Expenses .....	14
Computation of Net Capital Under Rule 15c3-1 .....	15
Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3 .....	16
Information Relating to the Possession or Control Requirements Under Rule 15c3-3 .....	17
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.....	18
Exemption Report Review.....	19
Exemption Report Rule 15c3-3.....	20
Independent Accountant’s Agreed-Upon Procedures Report (SIPC).....	21
Schedule of Assessment and Payments (SIPC).....	22-23

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Statement of Financial Condition**  
**December 31, 2018**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash	\$ 164,317
Accounts receivable	61,356
Prepaid expenses	3,268
	<u>228,941</u>
<b>PROPERTY AND EQUIPMENT</b>	130,329
<b>OTHER ASSETS</b>	<u>39,662</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 398,932</u></u>

**LIABILITIES AND MEMBERS' EQUITY**

<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 37,658
<b>MEMBERS' EQUITY</b>	<u>361,274</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 398,932</u></u>

See Accompanying Notes to Financial Statements

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Statement of Operations and Members' Equity**  
**For the Year Ended December 31, 2018**

<b>REVENUE</b>	\$ 10,997,436
<b>OPERATING EXPENSES</b>	<u>4,904,543</u>
<b>Operating Income</b>	6,092,893
<b>OTHER INCOME (DEDUCTIONS)</b>	
Interest income	2,399
Bonuses	(5,898,100)
401k profit sharing and defined benefit pension plans	<u>(534,527)</u>
<b>Other Deductions</b>	<u>(6,430,228)</u>
<b>NET Loss</b>	(337,335)
<b>MEMBERS' EQUITY AT BEGINNING OF YEAR</b>	464,109
<b>Contributions from Members</b>	<u>234,500</u>
<b>MEMBERS' EQUITY AT END OF YEAR</b>	<u><u>\$ 361,274</u></u>

See Accompanying Notes to Financial Statements

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Loss	\$ (337,335)
<b>Adjustments to reconcile net loss to net cash used by operating activities:</b>	
Depreciation	48,000
<i><b>Changes in Assets and Liabilities:</b></i>	
Accounts receivable	(21,047)
Accounts payable and accrued expenses	<u>(12,189)</u>
<b>Total adjustments</b>	<u>14,764</u>
<b>Net cash used by operating activities</b>	(322,571)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Payments for the purchase of property and equipment	<u>(25,004)</u>
<b>Net cash used by investing activities</b>	(25,004)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Capital contributions	<u>234,500</u>
<b>Net cash provided by financing activities</b>	<u>234,500</u>
<b>NET DECREASE IN CASH</b>	(113,075)
<b>CASH - BEGINNING OF YEAR</b>	<u>277,392</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 164,317</u></u>

See Accompanying Notes to Financial Statements

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Brentwood Capital Advisors, LLC (the Company) is a boutique investment banking firm focused on private placements of senior and subordinate debt and equity securities to institutional investors in addition to providing mergers and acquisition financial advisory services. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority (FINRA), which is the governing body for the broker-dealer industry created by the July 2007 merger of NASD and NYSE Regulation.

This summary of significant accounting policies of Brentwood Capital Advisors, LLC is presented to assist in understanding Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**Basis of presentation**

The financial statements are prepared on the accrual basis.

**Income taxes**

The Company is taxed as a partnership under the Internal Revenue Code and applicable state statutes, and, therefore, the Company's income flows through to the members to be taxed at the individual level rather than the corporate level. Accordingly, the Company will have no tax liability (with limited exceptions) as long as the partnership election is in effect.

The Company has adopted the effective accounting standards within FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. These standards also provide guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods and disclosure. Based on the results of management's evaluation, the Company has no material uncertain tax positions to be accounted for in the financial statements for the year ended December 31, 2018.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its shareholders will not be subject to additional tax, penalties, and interest as a result of such challenge. The Company's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal income tax returns have a three year statute of limitations.

**BRENTWOOD CAPITAL ADVISORS, LLC**

**Notes to the Financial Statements**

**December 31, 2018**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

**Revenue recognition**

The Company provides advisory services on mergers and acquisitions (M&A). Revenue for advisory agreement is generally recognized at the point in time that performance under the arrangement is completed (the closing date of the transaction) or the contract is canceled. However, for certain contracts, revenue is recognized over time for advisory arrangements in which the performance obligations are simultaneously provided by the Company and consumed by the customer. In some circumstances, significant judgment is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract.

Effective January 1, 2018, the Company adopted ASC Topic 606, Revenue from Contracts with Customers ("ASC Topic 606"). The new revenue recognition guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The Company evaluated the new revenue recognition accounting standard and determined that the accounting standard did not require a change in the Company's revenue recognition practices. As a result, the Company was not required to record an accounting transition adjustment as of January 1, 2018.

**Use of estimates**

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

**Allowance for Doubtful Accounts**

The Company considers all accounts outstanding in excess of ninety (90) days delinquent. These accounts are evaluated on a customer-by-customer basis based on payment history to determine the allowance for doubtful accounts.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Property and Equipment**

Property and equipment is stated at cost. Expenses for repairs and maintenance are expensed as incurred. Depreciation is provided over the assets' estimated useful lives using the straight-line and declining-balance methods. Estimated useful lives range from 5-7 years.

Depreciation expense for the year ended December 31, 2018, totaled \$48,000.

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

**Fair Value of Financial Instruments**

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

- Current Assets and Liabilities: The carrying values of these items approximate their fair values due to the short maturities of these instruments.
- Other Assets: The carrying values of these items reflect cost which management believes approximates fair value.

**New Accounting Pronouncements**

In February 2016 the FASB issued ASU 2016-02, "Leases (Topic 842)". This new accounting guidance is intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate, airplanes, and manufacturing equipment. The ASU will require organizations that lease assets referred to as "Lessees" to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. An organization is to provide disclosures designed to enable users of financial statements to understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements concerning additional information about the amounts recorded in the financial statements. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP which requires only capital leases to be recognized on the balance sheet the new ASU will require both types of leases (i.e., operating and capital) to be recognized on the balance sheet. The FASB lessee accounting model will continue to account for both types of leases. The capital lease will be accounted for in substantially the same manner as capital leases are accounted for under existing GAAP. For operating leases there will have to be the recognition of a lease liability and a lease asset for all such leases greater than one year in term. The leasing standard will be effective for calendar year-end public companies beginning after December 15, 2018. Public companies will be required to adopt the new leasing standard for fiscal years beginning after December 15, 2018. Early adoption is permitted for all companies and organizations. The Company is evaluating the impact that this new leasing ASU will have on its financial statements.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Member's Compensation**

Payments to partners for compensation and benefits are accounted for as partnership expenses rather than as an allocation of partnership net income.

**Date of Management's Review**

Management has evaluated all events through February 25, 2019, which is the date the financial statements were issued, and determined that there are no subsequent events that require disclosure.

**NOTE 2 - CREDIT RISK AND OTHER CONCENTRATIONS**

The Company maintains its cash in bank deposit accounts at regional financial institutions, which at times, may exceed the FDIC limit. The Company has not experienced any losses in such accounts, therefore management does not believe it is exposed to any significant credit risk related to cash and cash equivalents.

**NOTE 3 – PROPERTY AND EQUIPMENT, net**

A summary of property and equipment, net, as of December 31, 2018, is as follows:

Office Equipment	\$ 227,483
Furniture and fixtures	305,272
	<u>532,755</u>
Accumulated depreciation	<u>(402,426)</u>
	<u>\$ 130,329</u>

**BRENTWOOD CAPITAL ADVISORS, LLC**

**Notes to the Financial Statements**

**December 31, 2018**

**NOTE 4 - RETIREMENT PLANS**

***401(k) Profit Sharing Plan***

The Company sponsors a 401(k) profit sharing plan for qualified employees. Company contributions are made at management's discretion. There were no Company contributions to the 401(k) plan in 2018.

***Defined Benefit Plan***

The Company maintains a cash balance pension plan for eligible employees. A cash balance pension plan operates as a defined benefit pension plan. Contributions from the Company are calculated annually at amounts deemed necessary by actuarial study to fund the Plan in accordance with the applicable minimum funding standards. Notwithstanding the foregoing, the Employer reserves the right to terminate this Plan at any time. As of December 31, 2018, there are thirty-one participants in the plan. Contributions are based on the amount required to fund a projected annual benefit at the employees retirement date. Non-owner participants in the plan are credited with an amount equal to 3.0% of their compensation for the plan year. The owner participants reimburse the company for the amount of contribution required to fund their projected benefit. As of December 31, 2018, the Plan's benefit obligation amounted to \$2,343,062 and the fair value of Plan Assets approximated \$2,571,822. As such the estimated actual value of Plan assets is equal to 109.76% of the Plan's actuarial estimated present value of accrued benefits. The company contributed \$214,117 to the Plan for the year ended December 31, 2018. The Company plans to contribute funds to the Plan in 2019 an amount approximate to the amount contributed in 2018.

**NOTE 5 - LEASE COMMITMENTS**

The Company has lease agreements for office space and office equipment under operating leases. Rent expense under these leases amounted to \$411,215 in 2018. A summary of future minimum payments under these leases as of December 31, 2018 is as follows:

<u>Year Ending,</u>	<u>Amount</u>
2019	\$395,675
2020	400,462
2021	407,367
2022	414,396
2023	279,628
	<u>\$ 1,897,528</u>

**NOTE 6 - NET CAPITAL REQUIREMENTS AND OTHER RESTRICTIONS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires that a Broker/Dealer's aggregate indebtedness, as defined, shall not exceed fifteen times net capital, subject to a minimum net capital requirement. Minimum net capital for the Company is \$5,000. At December 31, 2018, the Company had net capital of \$126,659 which was \$121,659 in excess of its required net capital of \$5,000.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 7 – RELATED PARTIES**

The Company is related to several other entities through common ownership. The following entities are related parties:

<u>Entity</u>	<u>Description</u>
Brentwood Capital Partners, L.P. (BCP)	Limited partnership formed for the primary purpose of co-investing in the private equity-sponsored transactions on which Brentwood Capital Advisors, LLC (BCA) advises, or transactions sponsored by private equity funds with which BCA has strong relationships.
Brentwood Capital Partners, L.P. II (BCP II)	Limited partnership formed for the primary purpose of co-investing in the private equity-sponsored transactions on which Brentwood Capital Advisors, LLC (BCA) advises, or transactions sponsored by private equity funds with which BCA has strong relationships.
Brentwood Equity Management, LLC (BEM)	General partner of BCP – responsible for all investment and management decisions of BCP, for which it receives annual management fees equal to 2% of BCP's committed capital, due in quarterly installments. In turn, BEM remits to BCA all management fees received via an advisory services agreement. BEM is owned by the members owning BCA.
Brentwood Equity Partners (BEP)	Special limited partner of BCP. BEP receives a carried interest equal to 20% of BCP's profits, after the other partners have received a complete return of their capital contributions. BEP is wholly controlled by BEM.
PEP-PGI, L.P.	Limited partnership organized for the purposes of acquiring, holding and selling interests in a specific portfolio entity. The management and control of PEP-PGI, L.P. rest exclusively with its general partner, BEM.
PEP-hyperWallet, L.P.	Limited partnership organized for the purposes of acquiring, holding and selling interests in a specific portfolio entity. The management and control of PEP-hyperWallet, L.P. rest exclusively with its general partner, BEM.

For the year ended December 31, 2018, the Company received \$1,045,375 in investment advisory services per the agreements with BCP, BCP II, and BEM, noted above.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 8 – SECURITIES INVESTOR PROTECTION CORPORATION**

As a registered broker-dealer, the Company is a member of the Securities Investor Protection Corporation. Revenue in the Statement of Operations includes \$124,035 of expenses reimbursed by clients which are not subject to the annual SIPC assessment.

**NOTE 9 – COMMITMENT**

The Company is in the final year a 3-year commitment with the Nashville Predators for season tickets and rink dasher board marketing. The cost to the Company will be \$85,371 for 2019.

The Company entered into an agreement with DealCloud to replace Salesforce as its CRM database provider. The user cost and database development cost to the company will be \$51,390 in 2019.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Operating Expenses**  
**For the Year Ended December 31, 2018**

Salaries and benefits	\$ 3,157,132
Advertising and development	606,411
Office rent	411,215
Insurance	344,623
Professional fees	80,910
Repairs and maintenance	63,635
Office expenses	61,126
Depreciation	48,000
Dues and subscriptions	38,871
Database development	30,010
Other taxes	27,098
Telephone	19,511
Contributions	11,786
Miscellaneous	4,215
	<hr/>
	<u>\$ 4,904,543</u>

See Accompanying Notes to Financial Statements

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**December 31, 2018**

Total members' equity	\$ 361,274
Less non-allowable assets and haircuts:	
Accounts receivable	61,356
Property and equipment, net	130,329
Other Assets	39,662
Prepaid expenses	<u>3,268</u>
Total non-allowable assets and haircuts	<u>234,615</u>
Net capital	126,659
Net capital required	<u>5,000</u>
Excess net capital	<u><u>\$ 121,659</u></u>
Reconciliation with Company's computation (included in Part II of form X-17A-5 as of December 31, 2018)	
Excess as reported in Company's Part II FOCUS report	<u><u>\$ 121,659</u></u>

See Accompanying Notes to Financial Statements

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Computation for Determination of Reserve Requirements**  
**Pursuant to Rule 15c3-3**  
**December 31, 2018**

The Company is exempt from the requirements of Rule 15c3-3 under Section K(2)(i) of the Rule.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**Information Relating to the Possession or Control**  
**Requirements Under Rule 15c3-3**  
**December 31, 2018**

The Company is exempt from the requirements of Rule 15c3-3 under Section K(2)(i) of the Rule.

**BRENTWOOD CAPITAL ADVISORS, LLC**  
**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**  
**December 31, 2018**

Not Applicable



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
Brentwood Capital Advisors, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Brentwood Capital Advisors, LLC (the "Company") as of December 31, 2018, the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Auditor's Report on Supplemental Information

The supplemental information included in the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission 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. Section 240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2017.

*Cherry Bekaert LLP*

Nashville, Tennessee  
February 25, 2019

**Brentwood Capital Advisors, LLC's Exemption Report Rule 15c3-3**

Brentwood Capital Advisors, 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:

The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(i). The Company met the identified exemption provisions throughout the year ended December 31, 2018.



Kevin L. Murphy

Managing Partner



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING  
FIRM ON APPLYING AGREED-UPON PROCEDURES**

To the Members  
Brentwood Capital Advisors, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation ("SIPC") Series 600 Rules, which are enumerated below and were agreed to by Brentwood Capital Advisors, LLC (the "Company") and the SIPC, solely to assist you and SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation ("Form SIPC-7") for the year ended December 31, 2018. The Company's management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by the Public Company Accounting Oversight Board (United States) and 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 Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2018 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2018, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and
- 4) Recalculated 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.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2018. Accordingly, we do not express such an opinion or conclusion. 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 Company and the SIPC and is not intended to be, and should not be, used by anyone other than these specified parties.

*Cherry Bekaert LLP*

Nashville, Tennessee  
February 25, 2019

SIPC-7

(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(36-REV 12/18)

For the fiscal year ended 12/31/2018
(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:

10\*10\*\*\*\*\*1917\*\*\*\*\*MIXED AADC 220
53681 FINRA DEC
BRENTWOOD CAPITAL ADVISORS LLC
6000 MERIDIAN BLVD STE 350 STE
FRANKLIN, TN 37067-6668

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.

2. A. General Assessment (item 2e from page 2) \$ 16167
B. Less payment made with SIPC-6 filed (exclude interest) ( 8982 )
Date Paid 7/31/2018
C. Less prior overpayment applied ( )
D. Assessment balance due or (overpayment) 7185
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) \$ 7185
G. PAYMENT: [X] the box
Check mailed to P.O. Box [X] Funds Wired [ ] ACH [ ]
Total (must be same as F above) \$ 7185
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.

Brentwood Capital Advisors LLC
(Name of Corporation, Partnership or other organization)
John B. Byrd
(Authorized Signature)
Office Manager
(Title)

Dated the 22nd day of February, 2019.

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 1/1/2018  
and ending 12/31/2018

Eliminate cents

Item No. 2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030) \$ 10873400

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 \_\_\_\_\_

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 16(9)(L) of the Act). 95537
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C): \_\_\_\_\_

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

- (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 95537

2d. SIPC Net Operating Revenues \$ 10777863

2e. General Assessment @ .0015 \$ 16167

(to page 1, line 2.A.)