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

SEC FILE NUMBER
8-05889

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 10/01/18 AND ENDING 09/30/19  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Franklin/Templeton Distributors, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

One Franklin Parkway

(No. and Street)

San Mateo

CA

94403-1906

(City)

(State)

(Zip Code)

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

David Paterson

(801) 201-7042

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

PricewaterhouseCoopers, L.L.P.

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

3 Embarcadero Center

San Francisco

CA

94111

(Address)

(City)

Securities and Exchange Commission  
Trading and Markets

(Zip Code)

CHECK ONE:

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

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\*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

**Franklin/Templeton Distributors,  
Inc. and Subsidiaries**

**Consolidated Financial Statements and Supplemental  
Schedules**

**Pursuant to Rule 17a-5 of the Securities and Exchange**

**equested]**

OATH OR AFFIRMATION

I, David Paterson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Franklin/Templeton Distributors, Inc. of September 30, 2019, 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:

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

David Paterson  
Signature  
Chief Financial Officer  
Title

Notary Public see below

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

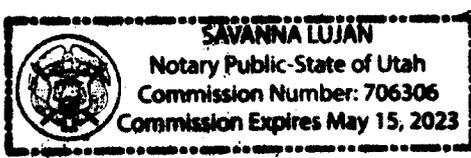
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (d) Statement of Changes in Financial Condition.
- (e)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

State of Utah )  
County of Salt Lake

On this 17 day of Nov. in the year 2019, before me Savanna Lujan  
a notary public, personally appeared David Paterson

proved on the basis of satisfactory evidence to be the person(s) whose names(s) (is/are) subscribed to this instrument, and acknowledged (he/she/they) executed the same. Witness my hand and official seal.



Savanna Lujan  
NOTARY PUBLIC

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# Franklin/Templeton Distributors, Inc. and Subsidiaries

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September 30, 2019

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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of  
Franklin/Templeton Distributors, Inc.:

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated statement of financial condition of Franklin/Templeton Distributors, Inc. and its subsidiaries (the "Company") as of September 30, 2019, and the related statements of income and comprehensive income, stockholder's equity, and cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019, 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 consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 of these consolidated financial statements 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

### ***Supplemental Information***

The Computation of Net Capital Pursuant to SEC Rule 15c3-1 and the Computation for Determination of Reserve Requirements under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated 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 consolidated 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 Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the Computation of Net Capital Pursuant to SEC Rule 15c3-1 and the Computation for Determination of Reserve Requirements under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Priscilla L. Cooper* LLP

November 12, 2019

We have served as the Company's auditor since 1974.

**Franklin/Templeton Distributors, Inc. and Subsidiaries**  
**Consolidated Statement of Financial Condition**  
**September 30, 2019**

<b>Assets</b>	
Cash and cash equivalents .....	\$ 253,520,714
Receivables .....	153,197,727
Deferred sales commissions, net .....	8,758,242
Due from parent and affiliated entities .....	53,471,392
Property and equipment, net .....	1,694,194
Goodwill and other intangible assets .....	551,858,135
Other .....	4,620,465
<b>Total Assets</b>	<b>\$ 1,027,120,869</b>
<b>Liabilities</b>	
Sales and distribution fees .....	\$ 90,103,444
Accounts payable and accrued expenses .....	86,253,007
Due to parent and affiliated entities .....	29,650,731
Income taxes, net .....	8,124,602
Deferred taxes, net .....	71,407,578
Total liabilities .....	285,539,362
<b>Commitments and Contingencies (Note 10)</b>	
<b>Stockholder's Equity</b>	
Common stock, \$1.00 par value, 20,000 shares authorized; 2,355 shares issued and outstanding .....	2,355
Additional paid in capital .....	109,484,198
Retained earnings .....	632,094,954
Total stockholder's equity .....	741,581,507
<b>Total Liabilities and Stockholder's Equity</b> .....	<b>\$ 1,027,120,869</b>

See Notes to Consolidated Financial Statements.