

RMS



SEC  
Mail Processing  
Section  
MAY 24 2017  
Washington DC  
408

SE 17017838

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

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

SEC FILE NUMBER  
8-45173

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 1/1/16 AND ENDING 03/31/17  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Brockett Tamny & Co. Incorporated  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
444 S. Flower Street, Suite 2350  
(No. and Street)  
Los Angeles CA 90071  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Peter C. Brockett 213-452-4433  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

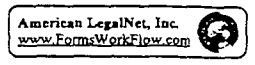
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Elizabeth Tractenberg, CPA  
(Name - if individual, state last, first, middle name)  
2367 Clubhouse Drive Rocklin CA 95765  
(Address) (City) (State) (Zip Code)

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)



aub

OATH OR AFFIRMATION

I, Peter C. Brockett, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Brockett Tamny & Co. Incorporated, as of March 31, 2017, 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 of Peter C. Brockett

MANAGING DIRECTOR
Title

See Attached Inset
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, Cash Flows.
(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).

# California Jurat Certificate

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

} s.s.

Subscribed and sworn to (or affirmed) before me on this 15 day of MAY Month

20 17, by PETER C. BROCKETT and  
Name of Signer (1)

\_\_\_\_\_, proved to me on the basis of  
Name of Signer (2)

satisfactory evidence to be the person(s) who appeared before me.

Susan K. Malhotra  
Signature of Notary Public



For other required information (Notary Name, Commission No. etc.)

Seal

### OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this jurat to an unauthorized document and may prove useful to persons relying on the attached document.

### Description of Attached Document

The certificate is attached to a document titled/for the purpose of

ANNUAL AUDITED REPORT  
OATH OR AFFIRMATION

containing 2 pages, and dated 05/15/2017

Additional Information
<b>Method of Affiant Identification</b>
Proved to me on the basis of satisfactory evidence: <input checked="" type="radio"/> form(s) of identification <input type="radio"/> credible witness(es)
Notarial event is detailed in notary journal on: Page # <u>58</u> Entry # <u>8</u>
Notary contact: <u>Susan K. Malhotra</u>
Other
<input checked="" type="checkbox"/> Affiant(s) Thumbprint(s) <input type="checkbox"/> Describe: _____

## Elizabeth Tractenberg, CPA

2367 Clubhouse Drive  
ROCKLIN, CALIFORNIA 95765  
Office 916/259-1666 -- Fax 323/517-2625  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)  
PCAOB # 3621

### Report of Independent Registered Public Accounting Firm

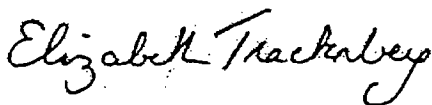
To the Board of Directors  
Brockett Tamny & Co. Incorporated  
Los Angeles, CA 90071

I have audited the accompanying statement of financial condition of Brockett Tamny & Co. Incorporated (the "Company"), as of March 31, 2017 and the related statements of income, changes in shareholders' equity, and cash flows for the 15 months then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2017, and the results of its operations and its cash flows for the fifteen months then ended in accordance with accounting principles generally accepted in the United States of America.

The information contained in Schedules I, II and III (the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. My audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming my opinion on the supplemental information, I evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In my opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Elizabeth Tractenberg, CPA  
Rocklin, CA  
May 5, 2017

**Brockett Tamny & Co. Incorporated**  
**Statement of Financial Condition**  
**March 31, 2017**

**ASSETS**

Cash	\$	2,979
Advances to affiliates		32,227
Prepaid expenses		431
Prepaid FINRA fees		762
Investments in Securities		35,790
Deposits		19,802
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>91,991</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$	703
Income tax payable		800
<b>Total Liabilities</b>		<b>1,503</b>
<b>Shareholders' Equity</b>		
Common stock (\$1 par value, 100,000 shares authorized 10,033 shares outstanding)	\$	10,012
Paid-in capital		309,988
Retained earnings (deficit)		(229,512)
<b>Total Equity</b>		<b>90,488</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b>91,991</b>

See Auditor's Report and Accompanying Notes to Financial Statements

**Brockett Tamny & Co. Incorporated**  
**Statement of Loss**  
**For The Fifteen Months Ended March 31, 2017**

<b>Revenue</b>	
Investment banking fees	\$ 30,405
Gain on sale of securities	5,786
Consulting fees	24,000
Interest and other income	847
<b>Total Revenue</b>	<u>61,038</u>
<b>Operating Expenses</b>	
Commission expense	15,000
Information and data	10,570
Insurance	22,801
Professional services	4,125
Regulatory fees	2,948
Rent	42,166
Telephone	7,018
Travel	8,799
All other	3,867
<b>Total Operating Expenses</b>	<u>117,294</u>
Income (loss) before tax provision	(56,256)
Income tax provision	(800)
Net Loss	<u><u>\$ (57,056)</u></u>

See Auditor's Report and Accompanying Notes to Financial Statements

**Brockett Tamny & Co. Incorporated**  
**Statement of Changes in Shareholder's Equity**  
**For The Fifteen Months Ended March 31, 2017**

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
<b>Balance December 31, 2015</b>	10,033	\$ 10,012	\$ 309,988	\$ (172,456)	\$ 147,544
<b>Net Income</b>		-	-	(57,056)	(57,056)
 <b>Balance March 31, 2017</b>	 <u>10,033</u>	 <u>\$ 10,012</u>	 <u>\$ 309,988</u>	 <u>\$ (229,512)</u>	 <u>\$ 90,488</u>

See Auditor's Report and Accompanying Notes to Financial Statements

**Brockett Tamny & Co. Incorporated**  
**Statement of Cash Flows**  
**For The Fifteen Months Ended March 31, 2017**

**Cash Flows from Operating Activities**

Net income (loss)	\$ (57,056)
Gain (loss) on investments	5,786
Adjustments to reconcile net assets to net cash provided by operating activities:	
(Increase) Decrease in rent deposits	(19,802)
(Increase) decrease in prepaid expenses	16,899
Increase (decrease) in accounts payable	112
Increase (decrease) in income tax payable	800
(Increase) decrease in regulatory deposits	370
Net cash flows from operating activities	<u>(52,891)</u>

**Cash Flows from Investing Activities**

Sale of securities held	13,384
Net cash flows from investing activities	<u>13,384</u>

**Cash Flows from Financing Activities**

Advances to affiliates	(3,951)
Repayment by affiliates	29,578
Net cash flows from financing activities	<u>25,627</u>

Net increase (decrease) in cash (13,880)

Cash at December 31, 2015 16,859

Cash at March 31, 2017 \$ 2,979

**SUPPLEMENTAL INFORMATION**

Interest paid	\$ -
Income taxes paid	<u>\$ 800</u>

See Auditor's Report and Accompanying Notes to Financial Statements



**Brockett Tamny & Co. Incorporated**  
**Notes to Financial Statements**  
**March 31, 2017**

**Note 1 – Organization and Nature of Business**

Brockett Tamny & Co. Incorporated (the “Company”), was incorporated in the State of California on July 13, 1990. The Company is a registered broker-dealer with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

**Note 2 – Significant Accounting Policies**

**Change in Fiscal Year** – In November 2016, the Company requested of FINRA to change its fiscal year to one ending on March 31. In December 2016, FINRA agreed to such change. Fiscal year 2016 thus ends on March 31, 2017, and consists of fifteen months of operations.

**Basis of Presentation** – The Company conducts the following types of business as a securities broker-dealer, which comprises several classes of services, including:

- Acting as Agent in the Private Placement of Securities
- Providing Advise on Mergers and Acquisitions

Under its membership agreement with FINRA and pursuant to Rule 15c3 (k) (2) (i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

**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 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.

**Securities Owned** – Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis and marked to market value each month.

**Investment Banking** – Investment banking revenues include fees earned from providing merger and acquisition and financial restructuring advisory services and fees earned in the placement of equity and debt securities for corporate clients.

**Revenue Recognition** - The Company recognizes revenue upon rendering of services. Advisory fees are billed at the beginning of each month, unless prepaid by the client. Prepaid advisory fees are recognized as revenue upon receipt in accordance with contract terms.

**Income Taxes** – The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized normally in the financial statements for the changes in deferred tax liabilities or assets between years.

**Brockett Tamny & Co. Incorporated**  
**Notes to Financial Statements**  
**March 31, 2017**

**Note 2 – Significant Accounting Policies (continued)**

**Income Taxes – (continued)**

The Company recognizes and measures its unrecognized 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 tax benefits is adjusted when new information is available, or when an event occurs that requires a change. The Company is subject to examinations by U.S. Federal and State tax authorities from 2013 to the present, generally for three years after they are filed.

**Note 3 - Fair Value**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company’s own data.)

The following table presents the Company’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of March 31, 2017.

**Fair Value Measurements on a Recurring Basis**  
**As of March 31, 2017**

	Level 1	Level 2	Level 3	Total
Securities (common stock)	<u>\$35,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$35,790</u>
<b>Total</b>	<u><u>\$ 35,790</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$35,790</u></u>

**Breckett Tamny & Co. Incorporated**  
**Notes to Financial Statements**  
**March 31, 2017**

**Note 4 – Related Party**

The Company advances funds toward payment of expenses on behalf of, and borrows funds from, several affiliated entities in which the officers of the Company have majority ownership. At March 31, 2017, the amount due from these affiliated entities was \$32,227. These temporary loans are interest free. It is possible that the terms of the related party transactions are not the same as those that would result from transactions among wholly unrelated parties.

Timing of repayment of advances to affiliated entities is based upon the sale of certain assets owned by those entities for which the advance was used in part or in whole to finance. Timing of repayments of advances from affiliated entities is solely at the discretion of the Company.

**Note 5 – 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 March 31, 2017, the Company had net capital of \$31,897 which was \$26,897 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.05 to 1.

**Note 6 - Income Taxes**

At March 31, 2017, there was a federal net operating loss (NOL) carry forward of approximately \$342,000 and California NOL carry forward of approximately \$112,000. The Federal tax can be carried forward for 20 years. California carryforward period is 10 years for the 2000 to 2007 tax years, and 20 years for tax years beginning in 2008. At March 31, 2017, the Company recorded the minimum franchise tax of \$800 for calendar year 2016 and did not record deferred tax benefits.

**Note 7 – Operating Lease Commitments**

The Company leases office space under a non-cancellable operating lease expiring January 31, 2020. At March 31, 2017, future minimum lease payments under this agreement are:

3/31/18	\$79,605
3/31/19	81,995
1/31/20	<u>70,036</u>
Total	<u>\$231,636</u>

In addition, the Company subleases part of its facilities, on a month-to month basis, at \$2,350 per month. Rent expense for the fifteen months ended March 31, 2017, net of the sublease, was \$42,166.

**Brockett Tamny & Co. Incorporated**  
**Notes to Financial Statements**  
**March 31, 2017**

**Note 8– Exemption from the SEC Rule 15c3-3**

Rule 15c3-3(k)(2)(i) provides an exemption from the SEC's so-called "customer protection rule" for firms that: carry no margin accounts; promptly transmit all customer funds and deliver all securities received in connection with their broker-dealer activities; do not otherwise hold funds or securities for, or owe money or securities to, customers; and effectuate all financial transactions with customers through one or more bank accounts designated as "Special Account for the Exclusive Benefit of Customers" of the Company.

**Note 9 – SIPC Supplementary Report Requirement**

The Company is not required to complete the SIPC Supplementary Report under SEC Rule 17a-5(e) (4) for fiscal year ending March 31, 2017 because the Company's SIPC Net Operating Revenues are under \$500,000.

**Note 10 – Subsequent Events**

Management has reviewed the results of operations for the period of time from its year end March 31, 2017 through May 5, 2017, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**Brockett Tamny & Co. Incorporated**  
**Schedule I - Computation of Net Capital Requirement**  
**March 31, 2017**

Computation of Net Capital	
Total ownership equity from statement of financial condition	\$ 90,488
Nonallowable assets	
Rent deposit	(19,802)
Advances to affiliates	(32,227)
Prepaid expenses	(431)
Prepaid FINRA fees	(762)
Haircuts on stocks	(5,369)
Net Capital	\$ <u>31,897</u>
Computation of Net Capital Requirements	
Minimum net aggregate indebtedness	
6-2/3 % of net aggregate indebtedness	\$ 100
Minimum dollar net capital required	\$ <u>5,000</u>
Net Capital required (greater of above amounts)	\$ 5,000
Excess Capital	\$ <u>26,897</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	\$ <u>31,747</u>
Computation of Aggregate Indebtedness	
Total liabilities	\$ <u>1,503</u>
Aggregate Indebtedness to net capital	<u>0.05</u>

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

Net Capital per Company's Computation	\$ 31,497
Decrease in advance to affiliates	400
Net Capital per Audited Report	\$ <u>31,897</u>

**Brockett Tamny & Co. Incorporated**  
**Schedule II – Computation for Determination of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of March 31, 2017**

A computation of reserve requirement is not applicable to Brockett Tamny & Co., Incorporated as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (i).

**Brockett Tamny & Co. Incorporated**  
**Schedule III – Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of March 31, 2017**

Information relating to possession or control requirements is not applicable to Brockett Tamny & Co., Incorporated as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (i).

**Elizabeth Tractenberg, CPA**

2367 Clubhouse Drive  
ROCKLIN, CALIFORNIA 95765  
Office 916/259-1666 -- Fax 323/517-2625  
elizabeth@tractenberg.net  
PCAOB # 3621

**Report of Independent Registered Public Accounting Firm – Exemption Report**

To the Board of Directors  
Brockett Tamny & Co. Incorporated

I have reviewed management's statements, included in the accompanying Brockett Tamny & Co. Incorporated (the "Company") Exemption Report in which (1) the Company identified the following provisions of 17C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: ((k) (2) (i)) (the "exemption provisions"), and (2) the Company stated that the Company met the identified exemption provisions January 1, 2016 to March 31, 2017, the most recent fiscal 15 months without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k) (2) (i) of Rule 15c3-3 under the Securities Exchange Act of 1934 for the periods noted in paragraph 1 above.



Elizabeth Tractenberg, CPA  
Rocklin, CA  
May 5, 2017



BROCKETT TAMNY & CO.  
INCORPORATED

Elizabeth Tractenberg, CPA  
2367 Clubhouse Drive  
Rocklin, CA 95765

May 1, 2017

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

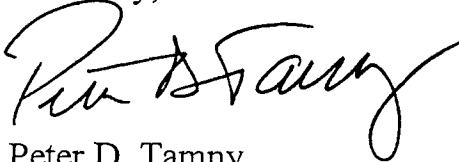
Dear Ms. Tractenberg:

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

Under its membership agreement with FINRA and pursuant to Rule 15c3-3 (k) (2) (i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers.

Brockett Tamny & Co. Incorporated met the Section 204, 15c3-3 (k) (2) (i) exemption for the period January 1, 2016 to March 31, 2017.

Sincerely,



Peter D. Tamny  
Managing Director