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

SEC FILE NUMBER
<b>8-69822</b>

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 01/01/2019 AND ENDING 12/31/2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **TFA Securities, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**400 Continental Blvd., Suite 320**

**El Segundo** (City) **CA** (No. and Street) **90245** (Zip Code)  
(State)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Brian W. Anson, CPA**

**SEC Mail Processing**

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

**18401 Burbank Blvd., #120** (Address) **Tarzana** (City) **CA** (State) **91356** (Zip Code)

**Washington, DC**

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

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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)

OATH OR AFFIRMATION

I, William Crader, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TFA Securities, Inc. of December 31, 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:

[Handwritten Signature]

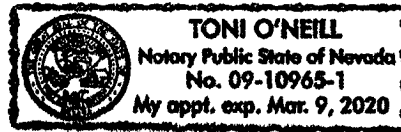
Signature

CFO, FINOP

Title

[Handwritten Signature: Toni O'Neill]

Notary Public



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).

**BRIAN W. ANSON**

*Certified Public Accountant*

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders' and Board of Directors of TFA Securities, Inc.

**Opinion on the Financial Statements**

I have audited the accompanying statement of financial condition of TFA Securities, Inc. as of December 31, 2019, the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of TFA Securities, Inc. as of December 31, 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 financial statements are the responsibility of TFA Securities, Inc.'s management. My responsibility is to express an opinion on TFA Securities, Inc.'s financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to TFA Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

**Auditor's Report on Supplemental Information**

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the TFA Securities, Inc.'s financial statements. The Supplemental Information is the responsibility of the TFA Securities, Inc.'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, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson

Certified Public Accountant

I have served as TFA Securities, Inc.'s auditor since 2017.

Tarzana, California

February 14, 2020

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**TFA SECURITIES, INC.**  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2019

**ASSETS**

Cash	\$ 28,808
Other current assets	1,852
Due from related parties	5,004
Total Assets	\$ 35,665

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities:	
Accounts payable	\$ 3,500
Total Liabilities	3,500

Stockholder's Equity:	
Common stock (no par value; 1,000,000 authorized; 324,000 shares issued and outstanding)	50,000
Additional paid-in capital	113,200
Retained earnings	(131,035)
Total Stockholder's Equity	32,165

Total Liabilities and Stockholder's Equity	\$ 35,665
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## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2019

#### NOTE 1 – ORGANIZATION

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TFA Securities, Inc. (the “Company”) was organized as a California S corporation in April 2009. The Company is owned by its sole stockholder, TFA Capital Partners, Inc. (“TFACP”), and has offices located in El Segundo, California and Charlotte, North Carolina. The Company is a closely held non-carrying broker dealer and registered with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”) in August 2017. The Company primarily engages in providing private placement and financial advisory services to corporate gaming companies and Native American tribes and their enterprises.

#### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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##### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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 and may have an impact on future periods.

##### **Income Taxes**

The Company has elected under the Internal Revenue Code to be treated as a qualified subchapter S subsidiary of its shareholder, TFACP. In lieu of federal income taxes, the Company’s income is passed through to TFACP. The Company is subject to the State of California’s annual tax for S corporations, which is the greater of 1.5% of a corporation’s income or \$800. All items of income, deductions, and credits are included in TFACP’s tax return.

##### **Fair Value of Financial Instruments**

Unless otherwise indicated, the fair value of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts. The Company has no financial instruments required to be reported at fair value on a recurring basis.

##### **ASC 606 Revenue Recognition**

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfied a performance obligation by transferring control over a product or service to a customer.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

The following is a description of activities separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)” ; from which the Company generates its revenue.

Fees earned: This includes fees earned from affiliated entities; investment banking fees, M&A advisory; account supervision and investment advisory fees; administrative fees, revenue from research services; rebates from exchanges/ECN and ATS; 12b-1 fees; Mutual fund fees other than concessions or 12b-1 fees; execution service fees; clearing services; fees earned from customer bank sweep into FDIC insured products or from 1940 Act companies and networking fees from 1940 Act companies.

The Company adopted Topic 606 “Revenue from Contracts with Customers” with a date of January 1, 2018. As a result, it has changed its accounting policy for revenue recognition as detailed below.

The Company applied Topic 606 using the cumulative effect method, i.e. by recognizing the cumulative effect of initially applying Topic 606 as an adjustment to the opening balance of equity at January 1, 2018. The impact from the change was immaterial. Therefore, any prior reporting information has not been adjusted and continues to be reported under Topic 606. The details of the significant changes and quantitative impact of the changes are set out below.

Advisory services contracts for public and corporate finance activities may contain a variety of promised goods and services. The Company may be engaged to assist its client with due diligence services, pre-transaction structuring advice, fairness opinions and finding prospective buyers. The Company will need to determine whether each promised good or service is capable as being distinct and distinct in the context of the contract because they are an input to the combined output of selling the business. The Company will apply significant judgement to identify the performance obligations and different conclusions may be reached based upon the specific terms and conditions of the contract. Many contracts contain variable considerations (e.g. success fees). The amount of variable consideration the Company can include will be limited to the amount for which it is probable that a significant revenue reversal will not occur when the uncertainties related to the variability are resolved. The Company will recognize the consideration allocated to specific performance obligations when, or as, those performance obligations are satisfied. Retainer fees (nonrefundable), announcement fees and success fees would not be recognized until the performance obligation has been satisfied (such as the close of sale). This may result in a change in the timing of recognition of the retainer fee compared to current practice prior to the adoption of Topic 606.

### NOTE 3 – NET CAPITAL REQUIREMENTS

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The Company is subject to the SEC's uniform net capital rule (Rule 15c3-1) which requires the Company to maintain a minimum net capital equal to or greater than the greater of \$5,000 or 6 2/3% of aggregate indebtedness (\$233 at December 31, 2019). In addition, the Company must maintain a ratio of aggregate indebtedness to net capital not exceeding 15 to 1.

At December 31, 2019, the Company's net capital was \$32,164, which exceeded the requirement by \$27,164. The ratio of aggregate indebtedness to net capital was 0.1 to 1.

### NOTE 4 – RELATED PARTY TRANSACTIONS

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The Company has an expense sharing agreement with TFACP. TFACP provides office space and pays most overhead expenses for the Company. During 2019, TFACP did not invoice the Company for any operating expenses and the Company did not reimburse TFACP for any operating expenses. The Company's results of operations and financial position could differ significantly from those that would have been obtained if the entities were autonomous.

#### **ASU 2016-02: Leases**

In February 2016, the FASB issued ASU 2016-02 on leases. Under the new guidance, leases will be required to recognize a lease liability and a right-of-use asset for all leases at the commencement date (with the exception of short-term leases). ASU-2016-02 is effective for annual and interim periods beginning on or after December 15, 2018 and early adoption is permitted.

The Company is not subject to the requirements under ASU 2016-02 because it does not have a lease liability. The Company's lease expenses are covered under its expense sharing agreement with TFACP.

### NOTE 5 – INCOME TAX PROVISIONS

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The provision for income taxes shown consists of the Company's share of state income taxes of \$800, which is included as additional paid-in capital from TFACP as tax payments are made by TFACP.

The Company is no longer subject to examinations by major tax jurisdictions for years before 2016.

### NOTE 6 – SIPC SUPPLEMENTARY REPORT REQUIREMENT

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The Company is not required to complete the SIPC Supplementary Report under SEC Rule 17a-5(e)(4) for fiscal year ending December 31, 2019 because the Company's SIPC Net Operating Revenues are under \$500,000.

### NOTE 7 – SUBSEQUENT EVENTS

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The Company has evaluated subsequent events through February 14, 2020, the date which the financial statements were available to be issued. No events have occurred that would require disclosure.