

**Berkshire Capital Securities LLC
and Subsidiaries**

**Annual Report
(CONFIDENTIAL)**

December 31, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-65641

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 01/01/2017 AND ENDING 12/31/2017
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **BERKSHIRE CAPITAL SECURITIES LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

535 MADISON AVENUE, 19TH FLOOR

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PKF O'CONNOR DAVIES, LLP

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

665 FIFTH AVENUE

NEW YORK

NY

10022

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



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

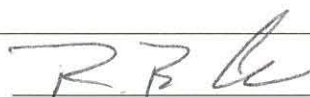
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, R. BRUCE CAMERON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BERKSHIRE CAPITAL SECURITIES LLC, as of DECEMBER 31, 20 17, 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:

JULIE E. MITCHELL
Notary Public, State of New York
No. 01MI6059397
Qualified in New York County
Commission Expires July 2, 2019



Signature

EXECUTIVE CHAIRMAN & CHIEF EXECUTIVE OFFICER

Title



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.
- ☒ (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).*

Berkshire Capital Securities LLC and Subsidiaries

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SEA Rule 15c3-3 Exemption Report
December 31, 2017

Berkshire Capital Securities LLC ("the Company")

The Company, to its best knowledge and belief, during the year ended December 31, 2017, (1) claimed an exemption under paragraph (k)(2)(i) of Rule 15c3-3 and (2) met the exemptive provisions in paragraph (k)(2)(i) without exception.

A handwritten signature in black ink, appearing to read "R. Bruce Cameron".

R. Bruce Cameron
President
March 1, 2018

**Berkshire Capital Securities LLC
and Subsidiaries**

**Consolidated Financial Statements
(CONFIDENTIAL)**

December 31, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Members of
Berkshire Capital Securities LLC**

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial condition of Berkshire Capital Securities LLC and Subsidiaries (the "Company"), as of December 31, 2017, the related consolidated statements of comprehensive income and members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements (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, 2017, 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 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.

Supporting Schedules

The supporting schedules required by Rule 17a-5 under the Securities and Exchange Act of 1934 ("SEA") have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supporting schedules are the responsibility of the Company's management. Our audit procedures included determining whether the information in the supporting schedules 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 supporting schedules. In forming our opinion on the supporting schedules, we evaluated whether the supporting schedules, including their form and content, are presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

We have served as the Company's auditor since 2009.

March 1, 2018

Berkshire Capital Securities LLC and Subsidiaries

Consolidated Statement of Financial Condition
December 31, 2017

ASSETS

Cash and cash equivalents	\$10,126,773
Client receivables, net of allowance for uncollectible fees of \$150,365	3,288,049
Securities owned, at fair value	605,000
Prepaid expenses	680,735
Due from members	128,566
Rental deposits	127,238
Fixed assets, net	307,984
Other	111,935
	<hr/>
	<u>\$15,376,280</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ 1,205,341
Profit sharing and bonuses payable	7,584,563
Deferred rent	54,825
Total Liabilities	<hr/> 8,844,729
Members' equity	<hr/> 6,531,551
	<hr/>
	<u>\$15,376,280</u>

See accompanying notes to the consolidated financial statements

Berkshire Capital Securities LLC and Subsidiaries

Consolidated Statement of Comprehensive Income and Members' Equity Year Ended December 31, 2017

REVENUE

Completion fees	\$ 16,147,544
Advisory fees	4,655,083
Valuation fees	432,467
Investment and other income	120,959
Total Revenue	<u>21,356,053</u>

EXPENSES

Employee compensation and benefits	13,519,448
Occupancy and maintenance	1,399,871
Professional fees	1,048,951
Travel, lodging, meals and entertainment	755,115
General office costs	667,802
Research and statistical costs	460,819
Communications costs	176,393
Regulatory fees and expenses	131,414
Depreciation and amortization	84,233
Advertising and promotion	65,947
Tax refunds, net	(95,792)
Bad debt expense, net of \$950,000 reversal	(732,658)
Other	229,442
Total Expenses	<u>17,710,985</u>
Net Income	3,645,068

OTHER COMPREHENSIVE INCOME

Unrealized foreign currency translation gain	49,693
Comprehensive Income	<u>3,694,761</u>

MEMBERS' EQUITY

Beginning of year	5,182,170
Contributions	323,443
Distributions and withdrawals	<u>(2,668,823)</u>
End of year	<u>\$ 6,531,551</u>

See accompanying notes to the consolidated financial statements

Berkshire Capital Securities LLC and Subsidiaries

Consolidated Statement of Cash Flows Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 3,645,068
Adjustments to reconcile net income to net cash from operating activities	
Depreciation and amortization	84,233
Bad debt expense, net of reversal	(732,658)
Changes in operating assets and liabilities	
Profit sharing and bonuses payable	2,519,232
Client receivables, net of bad debt	620,208
Deferred rent expense	(29,235)
Prepaid expenses	(31,698)
Rental deposits	(65,556)
Other assets	(111,935)
Accounts payable and accrued expenses	(955,946)
Securities owned, at fair value	(500,000)
Net Cash from Operating Activities	<u>4,441,713</u>

CASH FLOWS FOR INVESTING ACTIVITIES

Proceeds from the disposal of fixed assets	2,730
Purchases of fixed assets	(112,522)
Net Cash for Investing Activities	<u>(109,792)</u>

CASH FLOWS FOR FINANCING ACTIVITIES

Members' contributions	323,443
Members' distributions and withdrawals	(1,917,241)
Repayment of loans from members	332,738
Loan to member	(56,043)
Net Cash for Financing Activities	<u>(1,317,103)</u>

Effect of exchange rate changes on cash	49,693
Net Change in Cash and Cash Equivalents	<u>3,064,511</u>

CASH AND CASH EQUIVALENTS

Beginning of year	<u>7,062,262</u>
End of year	<u>\$ 10,126,773</u>

NON CASH FINANCING ACTIVITIES:

Members' distribution payable	\$ 751,582
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See accompanying notes to the consolidated financial statements

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

1. Organization

Berkshire Capital Securities LLC (the "Company"), a limited liability company, is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company conducts its investment banking business at offices in New York, Denver, San Francisco, London and Australia. Berkshire Capital Securities Limited (the "U.K. Subsidiary"), its wholly-owned United Kingdom subsidiary and Berkshire Capital Australia Pty Limited (the "AU Subsidiary"), its wholly-owned Australian subsidiary, conduct investment banking activities from their offices in London, UK and Sydney, AU.

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i).

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid debt instruments with a maturity of three months or less, at the time of purchase, to be cash equivalents.

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

2. Significant Accounting Policies (continued)

Fixed Assets

Furniture, equipment and leasehold improvements are stated at cost. Maintenance and repairs are charged to operations. Depreciation expense is calculated using the straight-line method over the respective assets' estimated useful lives. Leasehold improvements are amortized over the shorter of the economic useful life of the improvement or the lease term. The useful lives are as follows:

Office equipment	5-7 years
Furniture and fixtures	7 years
Leashold improvements	5-10 years

Revenue Recognition

Revenue consists of completion, advisory and valuation fees earned from providing financial advisory services in connection with proposed mergers, acquisitions or financial restructurings. Completion and advisory fees are earned and recognized when the underlying transaction is consummated within the terms of the specific agreement. Valuation fees are earned when their underlying assignments are completed.

Foreign Currency Translation

Assets and liabilities of the U.K. Subsidiary and AU Subsidiary are in U.K. pound sterling and Australian dollars, respectively, and are translated at year-end exchange rates, while revenues and expenses are translated at the average rates of exchange for the year. Unrealized gains and losses resulting from foreign currency translation are included in other comprehensive income. Accumulated comprehensive loss at December 31, 2017 aggregated to \$100,680, which is included in members' equity.

Income Taxes

The Company is treated as a partnership for Federal and state income tax purposes and, accordingly, does not record an income tax provision because its members report their share of the Company's income or loss in their personal income tax returns. The U.K. Subsidiary and AU Subsidiary are disregarded entities for U.S. tax purposes and therefore its operations are combined with the Company's operations for U.S. income tax reporting purposes. The U.K. Subsidiary is a limited company incorporated in the United Kingdom ("U.K.") and is subject to corporation tax requirements of the U.K. Government's Her Majesty's Revenue and Customs, whose tax is based on profits of limited companies. The AU Subsidiary is a proprietary limited company incorporated in Australia and is subject to corporation tax requirements of the Australian Government, whose company tax is based on net profits.

During the year, the Firm refiled its New York City Unincorporated Business Tax (UBT) return for prior years and received a refund of approximately \$145,800.

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

2. Significant Accounting Policies (continued)

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when they are more likely than not to be sustained. At December 31, 2017, the U.K. Subsidiary recorded an \$111,934 recoverable corporate tax receivable as a result of tax losses incurred which were carried back to be utilized against last year's payment. The Company is no longer subject to U.S. federal and state income tax examinations for periods prior to 2014. The Subsidiary is no longer subject to U.K. tax examinations for periods prior to 2013.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is March 1, 2018.

3. Fair Value Measurements/Securities Owned at Fair Value

The Company, in accordance with U.S. GAAP, defines fair value as 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 (an exit price). Fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy is established that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

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. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets
- b. Quoted prices for identical or similar assets or liabilities in markets that is not active
- c. Inputs other than quoted prices that is observable for the asset or liability

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

3. Fair Value Measurements/Securities Owned at Fair value (continued)

- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the reporting entity's own data. However, market participant assumptions cannot be ignored and, accordingly, the reporting entity's own data used to develop unobservable inputs are adjusted if information, without undue cost and effort, indicates that market participants would use different assumptions.

Level 1 assets consist of United States Treasury obligations (\$4,992,580), municipal securities (\$500,000) and an investment in a money market fund (\$34,881). As the United States Treasury obligations are within three months of maturity at time of purchase, they along with the investment in a money market fund are included in cash and cash equivalents in the accompanying consolidated statement of financial condition. The municipal obligations bear interest at floating rates to minimize interest rate sensitivity, but as they mature in 2033, they are included in securities owned in the accompanying consolidated statement of financial condition.

Level 3 assets consist of a private equity investment valued at \$105,000 based on the Company's methodology which is to compare the investment to similar entities which are publicly traded and then to apply a discount to that valuation based on lack of marketability, smaller size, less diversification of revenues and earnings, heightened level of key man risk, and other factors. Because of the inherent uncertainty of this valuation methodology, the estimated fair value of this investment may differ significantly from its valuation had a ready market for such an investment existed. There were no changes in Level 3 assets measured at fair value for the year ended December 31, 2017.

4. Net Capital

The Company is subject to the Uniform Net Capital Rule of the Securities Exchange Act of 1934 ("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. In addition, the rule provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. The Company's net capital is reported on an unconsolidated basis that uses the equity method to value its subsidiaries. At December 31, 2017, the Company had net capital of approximately \$1,343,300, which was approximately \$771,000 in excess of its required net capital of approximately \$572,300. The Company's net capital ratio was approximately 58 to 1.

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

5. Related Party Transactions

The Company has a loan receivable due from one of its members, Berkshire Capital Corporation ("BCC"). The loan was made to facilitate BCC's purchase of an investment which under the terms of the loan secures the loan and provides that the amount outstanding thereunder is equal to the fair value of the underlying investment which is \$95,800 at December 31, 2017. As the investment has underperformed relative to its expectations, the Company has waived interest charges which would have been \$19,843 through December 31, 2017.

The Company, at December 31, 2017, also had a \$32,766 loan due from one of its members for 350 units of membership interest which were purchased pursuant to the EPP. The loan has subsequently been repaid.

The Firm has an outstanding liability of \$751,582 to its members attributable to the 2017 tax distribution.

6. Fixed Assets, net

Fixed assets consisted of the following at December 31, 2017:

Office equipment	\$ 793,061
Furniture and fixtures	254,023
Leasehold improvements	142,322
	<hr/>
	1,189,406
Accumulated depreciation	881,422
	<hr/>
	<u>\$ 307,984</u>

7. 401(k) and Profit Sharing Plans

The Company maintains both a 401(k) plan for substantially all of its employees. Contributions to the profit sharing plan are made at the discretion of the Company's board of directors. For the year ended December 31, 2017, the expense for the 401(k) and profit sharing plans was approximately \$371,000.

8. Equity Participation Program and Capital Interest

The Company has an equity participation program ("EPP") for key employees ("participants"). Under the terms of the EPP, participants may be eligible on an annual basis to allocate a portion of their compensation or at the discretion of the Company's compensation committee to purchase newly issued units of membership interest from the Company. The pricing of units purchased under the EPP is calculated annually based on the Company's earnings over the last three years and year end book value.

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

8. Equity Participation Program and Capital Interest (continued)

For the year ended December 31, 2017, members' equity of \$6,531,551 includes the Company's Class A with 2,286 member units, totaling \$159,387 and Class B with 1,192 member units, totaling \$83,080. All Class A members have full voting rights. Class B member's interest has significant limitations. Class B member's interest is not considered in the calculation of the company's equity participation price. There were no Class A and B activity for the year. In calculating the EPP, all of the 1,192 Class B units, totaling \$83,080, is excluded from equity.

For the year ended December 31, 2017, 3,374 units of membership interest were repurchased by the Company, 2,654 units of membership interest were granted as compensation that cliff-vest in three years, and 350 units of membership interest were purchased pursuant to the EPP. Stock compensation expense for the year ended December 31, 2017 was approximately \$271,000 and has been included in employee compensation and benefits in the consolidated statement of comprehensive income and members' equity. At December 31, 2017, unamortized stock compensation was approximately \$427,000.

9. Financial Instruments and Credit Risk Concentration

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, securities, and client receivables. At times, cash balances exceed the Federal Deposit Insurance Corporation's insurable limit. This potentially subjects the Company to a concentration of credit risk. The Company has not experienced any losses in such accounts. The Company does not have a material concentration of credit risk with respect to client receivables, due to its generally short payment terms.

10. Commitments

The Company has offices in New York City, Denver, San Francisco, London and Australia. Leases for the office spaces expire at different intervals with the furthest one through January 31, 2029. The Company's current New York City ("NYC") lease is set to expire at June 30, 2018. The Company has secured a new NYC office with the lease start date of July 1, 2018. An irrevocable stand-by letter of credit in the amount of approximately \$418,000 was provided to the landlord in lieu of cash security for the new NYC office. Rent expense for 2017 was approximately \$1,212,000. Operating leases are being accounted for on a straight line basis. Accumulated deferred rent at December 31, 2017 was \$54,825 and represents the difference between rent based on the lease terms and the straight line basis.

Berkshire Capital Securities LLC and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2017

10. Commitments (continued)

The Company's London office lease contains an obligation for the Company to return the premises to its original condition. The Company has reviewed its obligation under this provision and has recognized a \$33,728 liability based on the Company's best estimate of the obligation. The obligation has been included in accounts payable and accrued expenses on the consolidated statement of financial condition.

Approximate future minimum rental payments at December 31, 2017, under all operating leases having an initial or remaining non-cancelable term of more than one year are shown below.

2018	\$ 764,000
2019	951,000
2020	1,050,000
2021	1,054,000
2022	943,000
Thereafter	<u>5,848,000</u>
	<u>\$ 10,610,000</u>

* * * *

**Berkshire Capital Securities LLC
and Subsidiaries**

**Supporting Schedules
Pursuant to Rule 17a-5 Under the
Securities Exchange Act of 1934**

December 31, 2017

Berkshire Capital Securities LLC and Subsidiaries

Schedule of Computation of Unconsolidated Net Capital Pursuant to Rule 15c3-1 of the Securities Exchange ACT of 1934 ("SEA") December 31, 2017

Berkshire Capital Securities LLC members' equity	\$ 6,531,551
Deductions and/or charges	
Non-allowable assets	
Client receivables	3,259,037
Prepaid expenses	595,388
Due from members	136,520
Investments in subsidiaries	942,357
Securities owned, at fair value	105,000
Fixed assets, net	104,983
Total non-allowable assets	5,143,285
Tentative Net Capital	1,388,266
Haircuts on security positions	33,198
Undue concentration	11,738
Net Capital	1,343,330

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital requirements (greater of 6 2/3% of aggregate indebtedness or \$100,000)	572,278
Excess Net Capital	\$ 771,052

COMPUTATION OF RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL

Aggregate indebtedness	\$ 8,584,163 *
Percentage of aggregate indebtedness to net capital	639.02%

* Refer to the Reconciliation of Unconsolidated to Consolidated Statement of Financial Condition

See Report of Independent Registered Public Accounting Firm

Berkshire Capital Securities LLC and Subsidiaries

Reconciliation of Unconsolidated to Consolidated Statement of Financial Condition December 31, 2017

	Unconsolidated LLC	UK Subsidiary	AU Subsidiary	Elimination	Consolidated Total
ASSETS					
Cash and cash equivalents	\$ 9,472,429	\$ 574,511	\$ 79,833		\$ 10,126,773
Securities owned, at fair value	605,000				605,000
Client receivables, net of allowance for uncollectible fees of \$150,685	3,259,037	10,280	18,732		3,288,049
Prepaid expenses	595,388	83,213	2,134		680,735
Due from members	136,520			(7,954) A	128,566
Investments in subsidiaries	942,357			(942,357) B	-
Rental deposits		67,456	59,782		127,238
Other Assets		111,935			111,935
Fixed Assets, net	104,983	133,221	69,780		307,984
	<u>\$ 15,115,714</u>	<u>\$ 980,616</u>	<u>\$ 230,261</u>	<u>\$ (950,311)</u>	<u>\$ 15,376,280</u>
LIABILITIES AND MEMBERS' EQUITY					
Liabilities					
Accounts payable and accrued expenses	\$ 1,142,093	\$ 64,831	\$ 6,371	(7,954) A	\$ 1,205,341
Profit sharing and bonuses payable	7,428,168	109,355	47,040		7,584,563
Deferred rent expense	13,902	40,923			54,825
Total Liabilities	8,584,163	215,109	53,411	(7,954)	8,844,729
Members' equity	<u>6,531,551</u>	<u>765,507</u>	<u>176,850</u>	<u>(942,357) B</u>	<u>6,531,551</u>
	<u>\$ 15,115,714</u>	<u>\$ 980,616</u>	<u>\$ 230,261</u>	<u>\$ (950,311)</u>	<u>\$ 15,376,280</u>

A Elimination of Berkshire Capital Securities LLC and Berkshire Capital Australia Pty Intercompany Accounts Receivable/
Accounts Payable.

B Elimination of Investment in subsidiaries.

C See Note 4 to the consolidated financial statements.

See Report of Independent Registered Public Accounting firm

Berkshire Capital Securities LLC and Subsidiaries

Reconciliations under Rule 17a-5(d) of the Securities and Exchange Commission
December 31, 2017

1	Net capital, per FOCUS Report, Part IIA	\$1,367,310
	Adjustments to decrease members' equity	(29,108)
	Adjustments to decrease non allowable assets	4,510
	Change in undue concentration charges	618
	Net Capital, per Annual Report	<u>\$1,343,330</u>
2	Aggregate indebtedness per FOCUS Report, Part IIA	\$8,559,565
	Adjustments to accruals	24,598
	Aggregate indebtedness, per Annual Report	<u>\$8,584,163</u>

See Report of Independent Registered Public Accounting firm

Berkshire Capital Securities LLC and Subsidiaries

Computation for Determination of Reserve Requirements
Pursuant to SEA Rule 15c3-3
December 31, 2017

The Company is exempt from the provisions of SEA Rule 15c3-3 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.

Schedule of Information Relating to the Possession or Control Requirements
Under SEA Rule 15c3-3
As of December 31, 2017

The Company carries no customer accounts on its books nor has possession of customer securities.

See Report of Independent Registered Public Accounting Firm

**Berkshire Capital Securities LLC
and Subsidiaries**

**Report of Independent Registered Public
Accounting Firm on Review
of the Exemption Report**

December 31, 2017

**Report of Independent Registered Public Accounting Firm on
Review of the Exemption Report**

**To the Board of Directors and Members of
Berkshire Capital Securities LLC**

We have reviewed management's statements, included in the accompanying SEA Rule 15c3-3 Exemption Report, in which (1) Berkshire Capital Securities LLC and Subsidiary (the "Company") identified the following provision of 17 C.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 provision); and (2) the Company stated that it met the identified exemption provision throughout the year ended December 31, 2016 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 provision. 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 provision set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

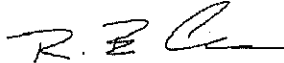
PKF O'Connor Davies, LLP

March 1, 2018

**SEA Rule 15c3-3 Exemption Report
December 31, 2017**

Berkshire Capital Securities LLC (the "Company")

The Company, to its best knowledge and belief, during the year ended December 31, 2017, (1) claimed an exemption under paragraph (k)(2)(i) of Rule 15c3-3 and (2) met the exemptive provisions in paragraph (k)(2)(i) without exception.

A handwritten signature in black ink, appearing to read "R. Bruce Cameron".

R. Bruce Cameron
President
March 1, 2018