

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

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

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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 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Benchmark Securities, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

250 S. Park Avenue, Suite 380

(No. and Street)

Winter Park

Florida

32789

(City)

(State)

(Zip Code)

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

Daniel S. Yarbrough (407) 960-2711

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Scharf Pera & Co., PLLC

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

4600 Park Road, Suite 112

Charlotte

North Carolina 28209

(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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Daniel S. Yarbrough, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Benchmark Securities, LLC, as of February 22, 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:



[Signature]
Signature

CFO / Managing Member

Title

[Signature]
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).*



BENCHMARK

— SECURITIES —

Benchmark Securities, LLC

Financial Statements

Year Ended December 31, 2016

Benchmark Securities, LLC
Index to Financial Statements
December 31, 2016

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Managing Members
Benchmark Securities, LLC

We have audited the accompanying statement of financial condition of Benchmark Securities, LLC as of December 31, 2016, and the related statements of income, changes in members' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended. These financial statements are the responsibility of Benchmark Securities, LLC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Benchmark Securities, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of Benchmark Securities, LLC's financial statements. The supplemental information is the responsibility of Benchmark Securities, LLC'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. §240.17a-5. In our opinion, Schedule I is fairly stated, in all material respects, in relation to the financial statements as a whole.



Scharf Pera & Co., PLLC
Charlotte, North Carolina
February 22, 2017

Benchmark Securities, LLC
Statement of Financial Condition
December 31, 2016

Assets:

Cash	\$ 980,408
Deposits with clearing organization (cash)	5,901,147
Receivables from clearing organization	8,064,823
Securities owned:	
Marketable, at market value	36,393,101
Accrued interest on bonds	381,641
Prepaid expenses	32,667
Property & equipment, at cost	
less accumulated depreciation of \$60,588	26,658
Other assets	9,044
	<hr/>
	\$ 51,789,489
	<hr/> <hr/>

Liabilities:

Commissions payable and other accrued expenses	\$ 1,032,071
Payable to clearing organization	35,882,862
Securities sold short:	
Marketable, at market value	7,765,373
Accrued interest on bonds sold short	83,426
Subordinated borrowings	300,000
	<hr/>
Commitments & contingencies (Note 8)	-
	<hr/>
	45,063,732
	<hr/>

Members' equity:

Preferred distribution equity units	2,000,000
Common equity units	4,725,757
	<hr/>
	6,725,757
	<hr/>
	\$ 51,789,489
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

Benchmark Securities, LLC
Statement of Income
For the Year Ended December 31, 2016

Revenue:

Principal transactions	\$ 9,285,671
Loss on underwritings	(49,413)
Interest and dividends	379,607
Gain on mark-to-market securities	<u>470,927</u>
Total revenue	<u>10,086,792</u>

Expenses:

Employee compensation and benefits	5,476,310
Transaction fees and expenses	1,343,194
Communications and data processing	766,563
Interest	249,434
Occupancy	107,099
Regulatory	91,026
Other expenses	<u>272,876</u>
Total expenses	<u>8,306,502</u>
Net income	<u><u>\$ 1,780,290</u></u>

The accompanying notes are an integral part of these financial statements.

Benchmark Securities, LLC
Statement of Changes in Members' Equity
For the Year Ended December 31, 2016

Ending balance, December 31, 2015	\$ 6,103,390
Net income	1,780,290
Preferred distributions of net income to preferred distribution equity units	(581,884)
Common distributions of net income to common equity units	<u>(576,039)</u>
Ending balance, December 31, 2016	<u><u>\$ 6,725,757</u></u>

The accompanying notes are an integral part of these financial statements.

Benchmark Securities, LLC
Statement of Changes in Subordinated Borrowings
For the Year Ended December 31, 2016

Subordinated borrowings at December 31, 2015	<u>\$ 300,000</u>
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Subordinated borrowings at December 31, 2016	<u><u>\$ 300,000</u></u>
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The accompanying notes are an integral part of these financial statements.

Benchmark Securities, LLC
Statement of Cash Flows
For the Year Ended December 31, 2016

Cash flows from operating activities:

Net income		\$ 1,780,290
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 16,589	
(Increase) decrease in operating assets:		
Deposits with clearing organization	(901,084)	
Receivables from clearing organization	979,129	
Securities owned	(5,930,303)	
Accrued interest on bonds	(99,195)	
Prepaid expenses	5,644	
Other assets	25,789	
Increase (decrease) in operating liabilities:		
Payable to clearing organizations	5,444,073	
Securities sold short	(712,398)	
Accrued interest on bonds sold short	3,797	
Accounts payable, accrued expenses, and other liabilities	381,051	
Total adjustments		(786,908)
Net cash provided by operating activities		993,382

Cash flows from investing activities:

Purchases of property and equipment	(1,404)	
Net cash used in investing activities		(1,404)

Cash flows from financing activities:

Preferred distributions of net income to preferred distribution equity units	(581,884)	
Common distributions of net income to common equity units	(576,039)	
Net cash used in financing activities		(1,157,923)

DECREASE IN CASH (165,945)

CASH AT BEGINNING OF YEAR 1,146,353

CASH AT END OF YEAR \$ 980,408

Supplemental cash flow disclosure:

Interest payments	\$ 222,412
Income taxes	\$ -

The accompanying notes are an integral part of these financial statements.

Benchmark Securities, LLC
Notes to Financial Statements
For the Year Ended December 31, 2016

Note 1 - Organization and Nature of Business:

Benchmark Securities, LLC (the "Company") was formed in the state of Florida in November 2011. The Company operates as a Financial Industry Regulatory Authority ("FINRA") member municipal bond underwriter and market-maker for its own trading account in tax-exempt and taxable municipal securities, taxable corporate and government securities, and mortgage-backed securities. The Company specializes in municipal financings and secondary municipal bond and corporate bond trading. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC"). All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Note 2 - Significant Accounting Policies:

Cash and cash equivalents:

The Company considers all highly liquid investments having an original maturity of three months or less to be cash equivalents. Amounts invested may exceed federally insured limits at any given time.

Security transactions:

Proprietary securities transactions in regular-way trades are recorded on the trade date. 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. Marketable securities are valued at fair market value.

Securities sold short consist of debt securities that the Company has sold and not yet purchased. In order to facilitate a short sale, the Company borrows the securities from another party and delivers the securities to the buyer. The Company will be required to cover its short sale in the future through the purchase of security in the market at the prevailing market price and deliver it to the counterparty from which it borrowed. The Company is exposed to a loss to the extent that the security price increases during the time from when the Company borrowed the security to when the Company purchases it in the market to cover the short sale.

Revenue recognition:

The revenues of the Company are derived primarily from trading profits and underwriting fees earned on securities transactions, which are recorded on a trade-date basis.

Property and equipment:

Property and equipment consists of computers, computer monitors and printers, and office furniture and equipment and are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. All repairs and maintenance costs are expensed as incurred.

Use of accounting 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 certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Note 2 - Significant Accounting Policies (continued):

Income taxes:

The Company is a limited liability company and has elected to be taxed under the partnership provision of the Internal Revenue Code. Under this provision, the members are taxed on the Company's taxable income. The Company bears no liability or expense for income taxes, and none is reflected in these financial statements. Similar provisions apply for state income taxes.

The Company accounts for income taxes in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, "Income Taxes". FASB ASC 740-10 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the balance sheet. It also provides guidance on derecognition, measurement and classification of amounts related to uncertain tax positions, accounting for and disclosure of interest and penalties, accounting in interim period disclosures and transition relating to the adoption of new accounting standards. Under FASB ASC 740-10, the recognition for uncertain tax positions should be based on a more-likely-than-not threshold that the tax position will be sustained upon audit. The tax position is measured as the largest amount of benefit that has a greater than fifty percent probability of being realized upon settlement. Management has determined that adoption of this topic has had no effect on the Company's financial statements. All tax returns filed by the Company since 2013 are subject to U.S. federal or state income tax examinations by tax authorities.

Fair value measurement:

FASB ASC Topic 820, "Fair Value Measurement," 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 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.

Note 2 - Significant Accounting Policies (continued):**Fair value measurement (continued):**

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, but not limited to, the type of security, the liquidity of the markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3.

Level 2 prices are obtained from independent, third-party valuation/pricing services.

Additionally, the Company's financial instruments include cash, accounts receivable, accounts payable, accrued expenses and debt. The carrying amounts of these financial instruments approximate fair value due to their short maturities.

Note 3 – Securities Owned and Securities Sold Short:

The following table presents the Company's assets and liabilities and related valuation inputs within the fair value hierarchy as of December 31, 2016:

Marketable securities owned	Level 1	Level 2	Level 3	Total
Government and asset-backed agency securities	\$ -	\$ 577,241	\$ -	\$ 577,241
Corporate and asset-backed non-agency securities	-	7,377,296	-	7,377,296
Municipal securities	-	28,438,564	-	28,438,564
	<u>\$ -</u>	<u>\$ 36,393,101</u>	<u>\$ -</u>	<u>\$ 36,393,101</u>
Securities sold, not yet purchased	Level 1	Level 2	Level 3	Total
Government and asset-backed agency securities	\$ -	\$ 612,620	\$ -	\$ 612,620
Corporate and asset-backed non-agency securities	-	7,152,753	-	7,152,753
	<u>\$ -</u>	<u>\$ 7,765,373</u>	<u>\$ -</u>	<u>\$ 7,765,373</u>

Note 4 - Property and Equipment:

The principal categories and estimated useful lives of property and equipment are as follows:

		<u>Estimated Useful Lives</u>
Computer equipment	\$ 70,706	5 years
Office furniture	14,028	7 years
Office equipment	<u>2,512</u>	7 years
	87,246	
Less: accumulated depreciation	<u>(60,588)</u>	
	<u>\$ 26,658</u>	

Depreciation expense was \$16,589 for the year ended December 31, 2016.

Note 5 - Related Parties:

All subordinated debt is owed to an entity wholly-owned and controlled by a member of the Company. The amount of this borrowing at December 31, 2016 is \$300,000. Interest paid to this entity for the year ended December 31, 2016 was \$249,434. Please see Note 6 to the financial statements for more details on interest expense.

Note 6 - Subordinated Borrowings:

The borrowings under subordination agreements at December 31, 2016 are as follows:

Subordinated notes, with the greater of six percent of principal per annum or 2.50% of monthly revenue as interest, balance due in 2019	<u>\$ 300,000</u>
Total subordinated notes	<u>\$ 300,000</u>

The subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

Note 7 - Members' Equity:

As of December 31, 2016, the Company has three authorized and issued types of equity capital units, sub-divided into preferred distribution equity units and two types of common equity units.

With respect to the preferred distribution equity capital units, the Company has one class of non-voting units (2,000,000 units outstanding (5,000,000 units authorized), issued at \$1.00 per unit). The preferred distribution units receive a percentage of the Company's monthly revenue as a preferred distribution and do not participate in the net income of the Company. The preferred distribution units have preference over the common equity capital units with respect to distribution rights and rights upon liquidation, winding up, or dissolution of the Company. The preferred distribution equity units are callable at \$1.00 per unit at various times through 2019, with written notification no less than 30 days but no more than 60 days to the stated redemption date.

With respect to the common equity capital units, the Company has two classes of units: voting (450,000 units outstanding (600,000 units authorized), issued at \$1.00 per unit) and non-voting (3,116,000 units outstanding (4,400,000 units authorized), issued at \$1.00 per unit). The common units participate in the net income of the Company. Common unit distributions of net income may not be made unless all preferred distributions are satisfied.

Note 8 - Commitments and Contingencies:**Commitments:**

The Company leases office space and computer equipment under operating leases that expire at various times through 2020. Future minimum lease payments for operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2016 are as follows:

Twelve months ended:

December 31, 2017	\$ 739,295
December 31, 2018	556,401
December 31, 2019	89,525
December 31, 2020	84,310
December 31, 2021	-
Thereafter	-
	<u>\$ 1,469,531</u>

Expenses under operating leases are \$107,099 for occupancy and \$638,482 for computer equipment for the year ended December 31, 2016.

Note 9 - Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission 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 or a minimum net capital of \$100,000. At December 31, 2016, the Company had net capital of \$4,310,957, which was \$4,210,957 in excess of its required net capital of \$100,000. The Company's aggregate indebtedness to net capital ratio was .249 to 1.

Note 10 - Subsequent Events:

The Company has evaluated all events and transactions through February 22, 2017, the date these financial statements were issued. During this period, there were no material recognizable or non-recognizable subsequent events.

Benchmark Securities, LLC
Supplementary Information
Pursuant to Rule 17A-5 of the Securities Exchange Act of 1934
As of December 31, 2016

The accompanying schedules are prepared in accordance with the requirements and general format of FOCUS Form X-17a-5.

Schedule I
Benchmark Securities, LLC
Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission
As of December 31, 2016

Net capital:		
Total members' equity	\$	6,725,757
Deduct members' equity not allowable for net capital		-
Total members' equity qualified for net capital		<u>6,725,757</u>
Add:		
Subordinated borrowings allowable in computation of net capital		300,000
Other deductions or allowable credits		-
Total capital and allowable subordinated borrowings		<u>7,025,757</u>
Deductions and/or charges:		
Nonallowable assets:		
Furniture, equipment, and leasehold improvements, net	\$	26,658
Prepaid expenses		32,667
Other assets		<u>9,044</u>
Deductions and/or charges		<u>(68,369)</u>
Net capital before haircuts on securities positions (tentative net capital)		6,957,388
Haircuts on securities:		
Debt securities		(2,640,242)
Undue concentration		<u>(6,189)</u>
Net capital	\$	<u><u>4,310,957</u></u>

Schedule I
Benchmark Securities, LLC
Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission
As of December 31, 2016
(continued)

Aggregate Indebtedness:

Items included in statement of financial condition:

Accounts payable, accrued expenses, and other liabilities	\$ 1,032,071
Payables to clearing organization	41,562
Total aggregate indebtedness	<u>\$ 1,073,633</u>

Computation of basic net capital requirement:

Minimum net capital required, greater of:

Minimum net capital required as computed	
at 6.67 percent of aggregate indebtedness	\$ 71,576
Minimum dollar net capital requirement	<u>100,000</u>
Total net capital requirement	<u>\$ 100,000</u>
Excess net capital	<u>\$ 4,210,957</u>
Excess net capital at 120 percent	<u>\$ 4,190,957</u>
Ratio: Aggregate indebtedness to net capital	<u>0.249 to 1</u>

The net capital reported, \$4,310,957, agrees in all material respects with the Company's computation and amount reported in Part II of Form X-17a-5 (unaudited) FOCUS report as of December 31, 2016.

Benchmark Securities, LLC
Supplementary Information
Statement Regarding Schedules II, III, and IV
As of December 31, 2016

Schedules II, III, and IV are not applicable. The Company has claimed an exemption from SEC Rule 15c3-3 based on the fact that all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Managing Members
Benchmark Securities, LLC

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



Charlotte, North Carolina

February 22, 2017



BENCHMARK
— SECURITIES —

Member: FINRA/SIPC

February 22, 2017

Exemption Report

The Company has claimed an exemption from SEA Rule 15c3-3 based on provision (k)(2) (ii) of the rule, as the Company is an introducing broker-dealer which clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer and which promptly transmits all customer funds and securities to the clearing broker-dealer.

The Company met this exemption provision throughout the fiscal year ended December 31, 2016 without exception.

Daniel S. Yarbrough
Chief Financial Officer

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Charlotte, NC 28209
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704 377-3259 fax
scharfpera.com

**INDEPENDENT ACCOUNTANTS' AGREED-UPON PROCEDURES REPORT ON
SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

To the Managing Members
Benchmark Securities, LLC

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by Benchmark Securities, LLC and SIPC, solely to assist you and the other specified parties in evaluating Benchmark Securities, LLC's compliance with the applicable instructions of Form SIPC-7. Benchmark Securities, LLC's management is responsible for Benchmark Securities, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 in the financial accounting software and cancelled checks, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules, including a detail of amounts paid as commissions, floor brokerage and clearance fees to other SIPC members in connection with securities transactions, and a schedule of dividend and interest expenses, noting no differences; and
- 4) Proved 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, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. 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 specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



Scharf Pera & Co., PLLC
Charlotte, North Carolina
February 22, 2017

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation

For the fiscal year ended 12/31/2016

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

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:

16*16*****1979*****MIXED AADC 220
 69024 FINRA DEC
 BENCHMARK SECURITIES LLC
 250 S PARK AVE STE 380
 WINTER PARK FL 32789-7027

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.

Daniel S. Yarbrough (407) 960-2711

2. A. General Assessment (item 2e from page 2) \$ 21,235
- B. Less payment made with SIPC-6 filed (exclude interest) (12,757)
07/26/2016
 Date Paid
- C. Less prior overpayment applied (-)
- D. Assessment balance due or (overpayment) 8,478
- 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) \$ 8,478
- G. PAYMENT: ☒ the box
 Check mailed to P.O. Box ☒ Funds Wired ☐
 Total (must be same as F above) \$ 8,478
- 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.

Benchmark Securities, LLC
 (Name of Corporation, Partnership or other organization)

D. A. Y. J.
 (Authorized Signature)

CFO/Managing Member
 Title

Dated the 22nd day of February, 20 17.

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 1/1/2016
and ending 12/31/2016

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$ 10,086,792

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

516,018

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).
- (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.

\$ 765,452

- (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)

765,452

Total deductions

2,108,646

2d. SIPC Net Operating Revenues

\$ 8,494,164

2e. General Assessment @ .0025

\$ 21,235

(to page 1, line 2.A.)