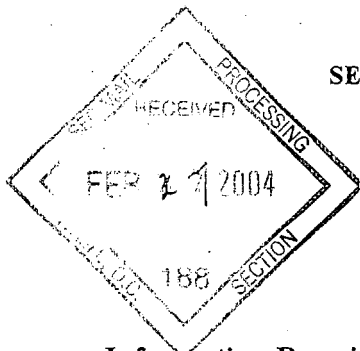




SECURITIES 04004546 ION
Washington, D.C. 20547

SO 3/9/04

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

SEC FILE NUMBER
8- 40081

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 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Benchmark Company, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
40 Fulton St

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

New York

New York

10038

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Richard Messina (212) 888-3997
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Spicer Jeffries LLP

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

5251 S. Quebec St., Ste 200

Greenwood Village

Colorado

80111

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 19 2004

FOR OFFICIAL USE ONLY

THOMSON
FINANCIAL

*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)

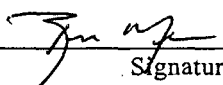
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OATH OR AFFIRMATION

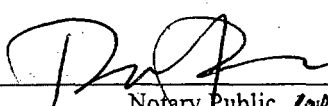
I, Richard Messina, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Benchmark Company, LLC, as of December 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Richard Messina; Summit Capital Associates, Inc.; SCA Retirement Plan; SCA Money Purchase Plan


Signature

President

Title

2/26/04

Notary Public

ROBERT A. BELL

NASSAU COUNTY

02866094683

exp 6/23/07

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of 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 15c3-3 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.
- ☒ (o) Independent Auditors' Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

THE BENCHMARK COMPANY, LLC
REPORT PURSUANT TO RULE 17a-5(d)
YEAR ENDED DECEMBER 31, 2003

THE BENCHMARK COMPANY, LLC

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SPICER JEFFRIES LLP

CERTIFIED PUBLIC ACCOUNTANTS

5251 SOUTH QUEBEC STREET • SUITE 200

GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0338

www.spicerjeffries.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Benchmark Company, LLC

We have audited the accompanying statement of financial condition of The Benchmark Company, LLC as of December 31, 2003, and the related statements of operations, changes in member's 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 the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 The Benchmark Company, LLC as of December 31, 2003, 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.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in the supplemental schedule listed in the accompanying index is presented for purposes of additional analysis and is not required for a fair presentation of the financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Greenwood Village, Colorado
January 30, 2004

THE BENCHMARK COMPANY, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

Cash and cash equivalents	\$ 4 992 561
Receivable from clearing broker	1 354 492
Securities owned, at market value	3 456
Furniture and equipment, net of accumulated depreciation of \$138,145	570 769
Other assets	<u>123 931</u>
	<u><u>\$ 7 045 209</u></u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:

Commissions and salaries payable	\$ 4 244 855
Accounts payable	319 779
Securities sold, but not yet purchased, at market value	799 116
Other liabilities	<u>200 546</u>

<i>TOTAL LIABILITIES</i>	<u>5 564 296</u>
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LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS (Note 2)	<u>284 271</u>
---	----------------

COMMITMENTS AND CONTINGENCIES (Notes 4 and 5)

MEMBER'S EQUITY (Note 3)	<u>1 196 642</u>
	<u><u>\$ 7 045 209</u></u>

THE BENCHMARK COMPANY, LLC

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2003

REVENUES:

Commissions	\$ 14 855 095
Trading profit, net	1 980 786
Other	<u>140 128</u>

Total revenues 16 976 009

EXPENSES:

Commissions and salaries	10 585 112
Clearing charges	1 087 365
General and administration	3 204 599
Occupancy	218 519
Travel and entertainment	1 067 045
Professional fees	237 838
Communications	213 900
Interest expense	<u>26 219</u>

Total expenses 16 640 597

NET INCOME \$ 335 412

THE BENCHMARK COMPANY, LLC

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2003

	<u>Common Shares</u>	<u>Shares Amount</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Member's Equity</u>
BALANCES, DECEMBER 31, 2002	10	10 000	306 218	545 012	-
Limited liability company conversion	(10)	(10 000)	(306 218)	(545 012)	861 230
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335 412</u>
BALANCES, DECEMBER 31, 2003	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 196 642</u>

THE BENCHMARK COMPANY, LLC
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
YEAR ENDED DECEMBER 31, 2003

BALANCE, DECEMBER 31, 2002	\$	274 948
Accrued interest for 2003		19 975
Payments of accrued interest		<u>(10 652)</u>
BALANCE, DECEMBER 31, 2003	\$	<u>284 271</u>

THE BENCHMARK COMPANY, LLC

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003
INCREASE (DECREASE) IN CASH

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 335 412
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	124 947
Increase in receivable from clearing broker	(782 806)
Decrease in securities owned, at market value	319 208
Decrease in other assets	7 512
Increase in commissions and salaries payable	3 802 637
Decrease in accounts payable	(72 386)
Increase in securities sold, but not yet purchased	765 039
Increase in other liabilities	97 660

Net cash flows provided by operating activities 4 597 223

CASH FLOWS FROM INVESTING ACTIVITIES:

Furniture and equipment purchases	<u>(377 379)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Increase in subordinated liabilities	<u>9 323</u>
--------------------------------------	--------------

NET INCREASE IN CASH 4 229 167

CASH AND CASH EQUIVALENTS, at beginning of year 763 394

CASH AND CASH EQUIVALENTS, at end of year \$ 4 992 561

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for interest	<u><u>\$ 26 219</u></u>
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THE BENCHMARK COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

The Company was incorporated in New York on June 22, 1988 and is registered as a broker-dealer in securities with the Securities and Exchange Commission. During 2003, the Company converted from an S-Corporation to a limited liability company.

The Company under Rule 15c3-3(k)(2)(ii) is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts. Accordingly, all customer transactions are executed and cleared on behalf of the Company by its clearing broker on a fully disclosed basis. The Company's agreement with its clearing broker provides that as clearing broker, that firm will make and keep such records of the transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities and Exchange Act of 1934, as amended (the "Act"). It also performs all services customarily incident thereon, including the preparation and distribution of customer's confirmations and statements and maintenance margin requirements under the Act and the Rules of the Self Regulatory Organizations of which the Company is a member.

Securities Owned or Sold, but not yet Purchased

Securities owned or sold, but not yet purchased by the Company (substantially common stock) are recorded at market value and related changes in market value are reflected in income. The Company records securities transactions and related revenue and expenses on a trade date basis.

Depreciation

The Company provides for depreciation of furniture and equipment on the straight-line method based on the estimated useful lives of the assets ranging from five to seven years.

Cash and Cash Equivalents

For purposes of cash flows, the Company considers money market funds with a maturity of three months or less to be cash equivalents.

Income Taxes

The Company is not considered a separate taxable entity for tax purposes. All income is reported on the sole member's tax return.

THE BENCHMARK COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect 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.

NOTE 2 - LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

The Company has borrowed money under a subordination agreement with its sole shareholder as follows:

Subordinated note, 8.5% interest, due June 1, 2003	\$ 235 000
Payments of accrued interest	(10 652)
Accrued interest on subordinated note	<u>59 922</u>
	<u>\$ 284 270</u>

The subordinated borrowing is covered by an agreement approved by the National Association of Securities Dealers, Inc., and is thus available in computing net capital under the Securities and Exchange Commission's uniform net capital rule. To the extent that such borrowing is required for the Company's continued compliance with minimum net capital requirements, it may not be repaid.

NOTE 3 - NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2003, the Company had net capital and net capital requirements of \$467,757 and \$317,679, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 10.19 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

THE BENCHMARK COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 4 - COMMITMENTS

The Company leases office space under noncancellable operating leases expiring through September, 2007. At December 31, 2003, aggregate minimum future rental commitments under these leases with initial or remaining terms in excess of one year are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$243,419
2005	208,125
2006	225,000
2007	168,750
Total minimum lease payments	<u>\$845,294</u>

Total rental expense of approximately \$218,519 including the noncancellable leases referred to above, was charged to operations during the year ended December 31, 2003.

NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES

In the normal course of business, the Company's client activities ("clients") through its clearing broker involve the execution, settlement, and financing of various client securities transactions. These activities may expose the Company to off-balance sheet risk. In the event the client fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations.

In the Company's trading activities, the Company has purchased securities for its own account and has sold securities that it does not own and may incur losses if the market value of the securities changes subsequent to December 31, 2003.

The Company has a substantial portion of its assets on deposit with banks and clearing brokers. Assets deposited with banks and clearing brokers are subject to credit risk. In the event of a bank's or clearing broker's insolvency, recovery of the Company's assets on deposit may be limited to account insurance or other protection afforded such deposits.

The Company's financial instruments, including cash and receivables are carried at amounts which approximate fair value. Securities owned or sold, but not yet purchased are valued at market value using quoted market prices. Payables and other liabilities are carried at amounts which approximate fair value.

The Company is a defendant in various legal actions arising out of its activities as a broker-dealer. Several of these actions claim damages which are material to the financial statements taken as a whole. While predicting the outcome of litigation is inherently very difficult, and the ultimate resolution, range of loss and impact on operating results cannot be reliably estimated, management believes, based upon its understanding of the facts and the advice of applicable legal counsel, that it has meritorious defenses for all such actions and it intends to defend each of these vigorously, and that resolution of these actions will not have a materially adverse effect on the Company's financial condition.

SUPPLEMENTARY INFORMATION

THE BENCHMARK COMPANY, LLC

COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM
NET CAPITAL RULE 15c3-1
DECEMBER 31, 2003

CREDITS:

Shareholder's equity	\$ 1 196 642
Liabilities subordinated to claims of general creditors	284 271
<i>Total credits</i>	<u>1 480 913</u>

DEBITS:

Nonallowable assets:	
Furniture and equipment, net	570 769
Non-marketable securities	3 456
Other assets	123 931
<i>Total debits</i>	<u>698 156</u>

Net capital before haircuts on securities positions 782 757

Haircuts on securities positions, including undue concentration of \$96,384 315 000

NET CAPITAL 467 757

Minimum requirements of 6-2/3% of aggregate indebtedness of
\$4,765,180 or \$100,000, whichever is greater 317 679

Excess net capital \$ 150 078

AGGREGATE INDEBTEDNESS:

Accounts payable	4 564 634
Other liabilities	<u>\$ 200 546</u>

TOTAL AGGREGATE INDEBTEDNESS \$ 4 765 180

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL 10.19 to 1

THE BENCHMARK COMPANY, LLC

**RECONCILIATION OF THE COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1 INCLUDED IN THE COMPANY'S
CORRESPONDING UNAUDITED FORM X-17A-5 PART II FILING
WITH COMPUTATION INCLUDED IN THE REPORT PURSUANT TO RULE 17a-5(d)**

DECEMBER 31, 2003

**NET CAPITAL PER COMPANY'S UNAUDITED
FORM X-17A-5 PART II FILING**

\$ 520 287

Adjustments:

Increase in non-allowable assets	(28 166)
Increase in expenses	(22 725)
Increase in haircuts	<u>(1 639)</u>

NET CAPITAL PER REPORT PURSUANT TO RULE 17a-5(d)

\$ 467 757



SPICER JEFFRIES LLP

CERTIFIED PUBLIC ACCOUNTANTS

5251 SOUTH QUEBEC STREET • SUITE 200

GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0338

www.spicerjeffries.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

The Board of Directors
The Benchmark Company, LLC

In planning and performing our audit of the financial statements and supplemental schedule of The Benchmark Company, LLC for the year ended December 31, 2003, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by The Benchmark Company, LLC. that we considered relevant to the objectives stated in rule 17a-5(g), (i) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3; and (ii) for safeguarding the occasional receipt of securities and cash until promptly transmitted to the Company's clearing organization. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. This report recognizes that it is not practicable in an organization the size of The Benchmark Company, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control and that alternatively greater reliance must be placed on surveillance by management.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003, to meet the SEC's objectives.

In addition, our review indicated that The Benchmark Company, LLC was in compliance with the conditions of exemption from Rule 15c3-3 pursuant to paragraph k(2)(ii) as of December 31, 2003, and no facts came to our attention to indicate that such conditions had not been complied with during the year.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.



Greenwood Village, Colorado
January 30, 2004