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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

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SECURITIES AND EXCHANGE COMMISSION

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DIVISION OF MARKET REGULATION

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 10/01/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: AMERICAN REALTY CAPITAL
MARKETS, LLC

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

10800 MIDLOTHIAN TURNPIKE

(No. and Street)

RICHMOND, VA 23235

(City)

(State)

(Zip Code)

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

ROBIN V. GOODMAN 804-897-9399

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BDO SEIDMAN, LLP

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

300 ARBORETUM PLACE SUITE 520 RICHMOND VA 23236

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

PROCESSED

B JUN 22 2006

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FINANCIAL

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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)

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.

Handwritten initials and date: 6/21/06

OATH OR AFFIRMATION

I, WILLIAM P CARTER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AMERICAN REALTY CAPITAL MARKETS LLC, as of DECEMBER 31, 2006, 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
President
Title

[Signature] My Commission Expires 03/31/07
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 15c3-3 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.

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

American Realty Capital Markets, LLC

Schedule I – Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1

December 31, 2005

Aggregate indebtedness	\$ 20,804
Member's capital	\$ 51,644
Less:	
Non-allowable assets	<u>18,000</u>
Net capital	<u>\$ 33,644</u>
Capital requirements	
Minimum net capital requirement (greater of \$5,000 or 12.5% aggregate indebtedness to net capital)	\$ 5,000
Net capital in excess of requirements	<u>28,644</u>
Net capital as above	<u>\$ 33,644</u>
Ratio of aggregate indebtedness to net capital	<u>.62 to 1</u>

The following reconciliation identifies differences between the audited Computation of Net Capital above and the corresponding schedule included in the Company's original unaudited December 31, 2005 Part IIA FOCUS filing as filed on January 22, 2006.

Member's net capital per original unaudited Part IIA FOCUS	\$56,115
Investment by Parent Company	39,882
Company operating expenses paid by Parent Company	(39,882)
Organization expenses	(1,667)
Accrued legal expense	(2,804)
Non-allowable asset	<u>18,000</u>
Adjusted member's net capital	<u>\$33,644</u>