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

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

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**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 01/01/2008 AND ENDING 12/31/2008  
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.)  
9211 Forest Hill Avenue, Suite 201

OFFICIAL USE ONLY  
FIRM I.D. NO.

Richmond, (No. and Street) Virginia 23235  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Robin V. Goodman (804) 855-7660  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Goodman & Company, LLP

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

4510 Cox Road, Suite 200 Richmond, Virginia 23060  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

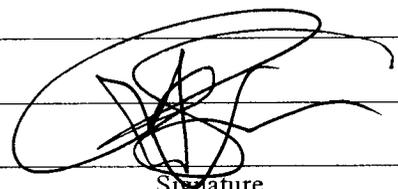
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Robin V. Goodman, 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, 2008, 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:

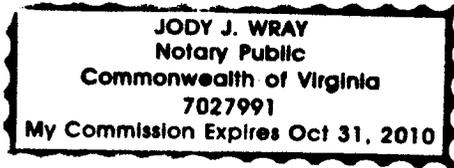
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature

FINANCIAL OPERATIONS PRINCIPAL  
Title

Jody J. Wray  
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).

*Financial Statements*  
*Years Ended*  
*December 31, 2008 and 2007*

*American Realty Capital Markets, LLC*

# *American Realty Capital Markets, LLC*

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Certified Public Accountants  
Specialized Services  
Business Solutions

## *Report of Independent Auditors*

Board of Directors  
*American Realty Capital Markets, LLC*

We have audited the accompanying balance sheet of *American Realty Capital Markets, LLC* as of December 31, 2008, and the related statements of operations, changes in member's capital and cash flows for the year then ended. These financial statements are the responsibility of the management of *American Realty Capital Markets, LLC*. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of *American Realty Capital Markets, LLC* for the year ended December 31, 2007, were audited by other auditors, before restatement, whose report thereon, dated February 21, 2008, expressed an unqualified opinion on those statements.

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 audits 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 *American Realty Capital Markets, LLC* as of December 31, 2008, 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.

We also audited the adjustments described in Note 6 that were applied to restate the 2007 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional information and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Richmond, Virginia  
March 30, 2009

4510 Cox Road, Suite 200  
Glen Allen, VA 23060-3394

ph 804-282-7636  
fax 804-282-1461

An independent firm associated with  
**MOORE STEPHENS**  
INTERNATIONAL LIMITED

*American Realty Capital Markets, LLC*

*Balance Sheets*

December 31,	2008	2007 (Restated)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 21,915	\$ 94,820
Prepaid expenses and other current assets	100	6,143
<b>Total current assets</b>	<b>22,015</b>	<b>100,963</b>
<b>Property and equipment</b>		
Office equipment	12,737	36,049
Less - accumulated depreciation	(4,032)	(8,539)
<b>Property and equipment - net</b>	<b>8,705</b>	<b>27,510</b>
	<b>\$ 30,720</b>	<b>\$ 128,473</b>
<b>Liabilities and Members' Capital</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 2,666	\$ -
<b>Members' capital</b>		
Class A	206,678	193,868
Class B Preferred (stated at liquidation preference)	239,836	237,170
Retained earnings (deficit)	(418,460)	(302,565)
<b>Total members' capital</b>	<b>28,054</b>	<b>128,473</b>
	<b>\$ 30,720</b>	<b>\$ 128,473</b>

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

*American Realty Capital Markets, LLC*

*Statements of Operations*

<b>Years Ended December 31,</b>	<b>2008</b>	<b>2007</b>
<b>Revenue</b>	<u>\$ 38,007</u>	<u>\$ 680,205</u>
<b>Operating expenses</b>		
Employee compensation and payroll taxes	59,416	283,727
Insurance	25,042	64,409
Miscellaneous	16,571	40,653
Travel	14,904	43,678
Outside services	11,169	13,282
Occupancy	8,292	28,387
Professional fees	4,875	17,629
Office supplies	1,509	5,005
Commissions	-	289,146
Interest	-	1,507
<b>Total operating expenses</b>	<u>141,778</u>	<u>787,423</u>
<b>Loss from operations</b>	(103,771)	(107,218)
<b>Other income</b>		
Gain on sale of assets	686	-
<b>Net loss</b>	<u>\$ (103,085)</u>	<u>\$ (107,218)</u>

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

*American Realty Capital Markets, LLC*

*Statements of Changes in Member's Capital*

**Years Ended December 31, 2008 and 2007**

	Members' Capital		Retained Earnings (Deficit)	Total
	Class A	Class B		
<b>Balance - December 31, 2006</b>	\$ 237,170	\$ -	\$ (184,479)	\$ 52,691
Capital contribution	-	183,000	-	183,000
Preferred dividends	-	-	(10,868)	(10,868)
Net loss	-	-	(107,218)	(107,218)
<b>Balance - December 31, 2007, as originally reported</b>	237,170	183,000	(302,565)	117,605
Prior period adjustment - preferred dividends	-	10,868	-	10,868
<b>Restated Balance - December 31, 2007</b>	237,170	193,868	(302,565)	128,473
Capital contribution	2,666	-	-	2,666
Preferred dividends - reverse prior year undeclared	-	12,810	(12,810)	-
Net loss	-	-	(103,085)	(103,085)
<b>Balance - December 31, 2008</b>	<b>\$ 239,836</b>	<b>\$ 206,678</b>	<b>\$ (418,460)</b>	<b>\$ 28,054</b>

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

*American Realty Capital Markets, LLC*

*Statements of Cash Flows*

<b>Years Ended December 31,</b>	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (103,085)	\$ (107,218)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	4,490	6,008
Gain on sale of property and equipment	(686)	-
Health insurance paid by member	2,666	-
Change in operating assets and liabilities, net	8,710	(4,365)
<b>Net cash from operating activities</b>	<b>(87,905)</b>	<b>(105,575)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	-	(12,737)
Proceeds from sale of property and equipment	15,000	-
<b>Net cash from investing activities</b>	<b>15,000</b>	<b>(12,737)</b>
<b>Cash flows from financing activities</b>		
Capital contributions	-	183,000
<b>Net change in cash and cash equivalents</b>	<b>(72,905)</b>	<b>64,688</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>94,820</b>	<b>30,132</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 21,915</b>	<b>\$ 94,820</b>
<b>Supplemental disclosure of noncash items</b>		
Accrued dividends on preferred stock	\$ 12,810	\$ 10,868

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

# *American Realty Capital Markets, LLC*

## *Notes to Financial Statements*

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December 31, 2008 and 2007

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### **1. Organization and Nature of Business**

*American Realty Capital Markets, LLC* (Company) is a Virginia limited liability company. The Company is registered as a broker/dealer in securities under the Securities and Exchange Act of 1934 and with the Financial Industry Regulatory Authority (FINRA).

The Company's primary business is to distribute private (Reg D) offerings to accredited investors of primarily real estate assets, typically as a 1031 tenant-in-common (TIC) replacement property, through a national network of broker dealers.

### **2. Summary of Significant Accounting Policies**

#### **Cash Equivalents**

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less when purchased.

#### **Commissions**

Commissions are recognized as income on an accrual basis when the commissions are earned by the Company.

#### **Office Equipment**

Acquisitions of office equipment are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets, which is five years.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

#### **Income Taxes**

The Company has elected for income tax purposes to be treated as a partnership and, consequently, the members will report their proportional share of the income or loss of the Company on their individual income tax return.

### **3. Net Capital Requirement**

The Company is subject to the Net Capital Rule of the Securities and Exchange Commission (Rule 15c-3) (Rule). This rule 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, and provides that equity capital may not be withdrawn, or cash dividends paid, if the resulting net capital ratio would exceed 10 to 1. At December 31, 2008 and 2007, the Company had net capital of \$19,249 and \$83,952, respectively, which was \$14,249 and \$78,952 in excess of its required net capital requirement of \$5,000 for those respective years. The Company's net capital ratio (ratio of aggregate indebtedness to net capital) was .14 to 1 as of December 31, 2008 and .13 to 1 as of December 31, 2007.

### **4. Related Party Matters and Commitments**

The Company leased office space from an affiliate of a member and incurred approximately \$8,000 of related lease expense for 2008. During 2008, the lease was terminated and all remaining obligations of the lease were satisfied.

### **5. Member's Capital**

In March 2007, the Company amended its operating agreement and issued 7% cumulative Class B Preferred return shares for proceeds of \$183,000. The Company has recorded \$12,810 and \$10,868 of preferred dividends for the years ended December 31, 2008 and 2007, respectively. At any time after March 1, 2009, the Company has the option, but not the obligation, to redeem up to 50% of the Class B Preferred shares for an exit return of 20% as defined in the Company's operating agreement.

As of December 31, 2008, there were 1,000 Class A and 91.5 Class B Preferred shares outstanding.

During 2008, a member of the company paid \$2,666 on behalf of the Company for health insurance. This payment was considered a capital contribution to the Company.

### **6. Prior Period Adjustment**

In 2007, the Company accrued preferred dividends of \$10,868 as a liability related to its 7% cumulative Class B Preferred return shares. During 2008, the Company reversed the liability as the dividends had not been declared and, therefore, should be reported as a preference to the distribution of future earnings, by increasing the reported Class B members' capital with an offsetting reduction in the Company's retained earnings.

\* \* \* \* \*

*American Realty Capital Markets, LLC*

*Computation of Net Capital for Brokers and Dealers Pursuant to  
Rule 15c3-1 Under the Securities Exchange Act of 1934 - Schedule I*

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December 31, 2008

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**Net capital**

**Member's equity** \$ 28,054

**Nonallowable assets**

Prepaid expenses 100  
Property and equipment - net 8,705  
8,805

**Net capital** \$ 19,249

**Aggregate indebtedness**

Accounts payable \$ 2,666

**Minimum net capital required**

( the greater of \$5,000 or 6 2/3% of aggregate indebtedness) \$ 5,000

**Net capital in excess of minimum requirement** \$ 14,249

**Ratio of aggregate indebtedness to net capital** .14 to 1

**Reconciliation with the Company's computation (included in Part II of Form X-17A-5  
as of December 31, 2008)**

Net capital, as reported in Company's Part II (unaudited) FOCUS report \$ 20,582  
Audit adjustment to record capital contribution 2,666  
Audit adjustment to record insurance expense (3,999)

Net capital per above \$ 19,249

The Company is exempt from the reserve requirements and possession on control requirements under Rule 15c3-3(k)(2)(i).

*See report of independent auditors on supplementary information.*



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***Report of Independent Auditors  
on Internal Control Required by  
SEC Rule 17a-5 for a Broker-Dealer Claiming an  
Exemption from SEC Rule 15c3-3***

Board of Directors  
***American Realty Capital Markets, LLC***

In planning and performing our audit of the financial statements of ***American Realty Capital Markets, LLC*** (Company) as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11), and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

- Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13; and
- 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.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls 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 internal control 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.

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Because of inherent limitations in internal control 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.

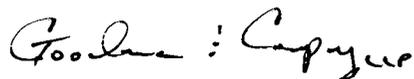
A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities 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 to meet the SEC's objectives at December 31, 2008.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Richmond, Virginia  
March 30, 2009