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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden	
hours per response.....	12.00

SEC FILE NUMBER
<del>XXXXXXXXXX</del>

8-68714

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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 01/01/2012 AND ENDING 12/31/2012  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: BellMark Partners, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

635 West Lakeside Ave. Suite 606

(No. and Street)

Cleveland

OH

44113

(City)

(State)

(Zip Code)

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

Donna Conry

(216) 575-1000

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Hobe & Lucas Certified Public Accountants, Inc.

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

4807 Rockside Rd., Suite 510

Independence

OH

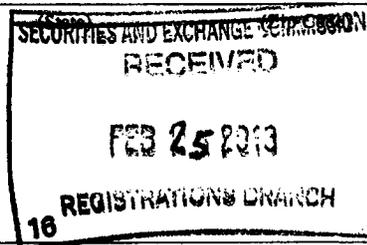
44131

(Address)

(City)

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)

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01/20/12

OATH OR AFFIRMATION

I, David Gesmondi, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BellMark Partners, LLC, as of December 31, 2012, 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

MANAGING DIRECTOR  
Title

Cindy M. Molek  
Notary Public



CINDY M. MOLEK  
NOTARY PUBLIC - OHIO  
My commission expires  
March 25, 2014

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).

**BELLMARK PARTNERS, LLC**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

SEC  
Mail Processing  
Section

FEB 25 2013

Washington DC  
402

**Hobe & Lucas Certified Public Accountants, Inc.**

**BELLMARK PARTNERS, LLC**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**BELLMARK PARTNERS, LLC**

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# Hobe & Lucas

Certified Public Accountants, Inc.

4807 Rockside Road, Suite 510 (P) 216.524.8900  
Independence, Ohio 44131 (F) 216.524.8777  
www.hobe.com

## INDEPENDENT AUDITORS' REPORT

To the Member of  
BellMark Partners, LLC  
Cleveland, Ohio

### **Report on the Financial Statements**

We have audited the accompanying financial statements of BellMark Partners, LLC which comprise the statement of financial condition as of December 31, 2012, and the related statements of operations and changes in member's equity and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BellMark Partners, LLC as of December 31, 2012, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II are presented for purposes of additional analysis 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hobe & Lucas*  
*Certified Public Accountants*

February 7, 2013

**BELLMARK PARTNERS, LLC**

**STATEMENT OF FINANCIAL CONDITION**

**December 31, 2012**

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**ASSETS**

Cash and cash equivalents	\$	263,197
Accounts receivable, net		53,087
Investments, at fair value		215,120
Property and equipment, net		14,912
Prepaid expenses		13,817
Deposits		16,110
Travel and meals billable		<u>25,193</u>
	\$	<u>601,436</u>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable	\$	2,960
Accrued expenses		29,738
Note payable		<u>135,000</u>
Total liabilities		167,698
Member's equity		<u>433,738</u>
	\$	<u>601,436</u>

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

**BELLMARK PARTNERS, LLC**

**STATEMENT OF OPERATIONS**  
**for the Year Ended December 31, 2012**

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<b>Revenues:</b>	
Retainer fees	\$ 579,089
Success fees	975,457
Net gains on firm security investment accounts - including unrealized gains (losses)	1,058
Miscellaneous Income	<u>74</u>
<b>Total revenues</b>	<b><u>1,555,678</u></b>
<b>Expenses:</b>	
Travel	25,240
Personnel	1,060,655
Legal	2,936
Professional	34,768
Rent	67,496
Office	34,310
Telephone	24,625
Advertising	1,655
FINRA	30,787
Charity	7,500
Depreciation	8,950
Bad debt	8,154
Other	10,295
Interest Expense	<u>8,129</u>
<b>Total expenses</b>	<b><u>1,325,500</u></b>
<b>Net income</b>	<b><u>\$ 230,178</u></b>

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

**BELLMARK PARTNERS, LLC**

**STATEMENT OF CHANGES IN MEMBER'S EQUITY  
for the year ended December 31, 2012**

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Member's equity, January 1, 2012	\$	353,560
Net income		230,178
Distributions to member		<u>(150,000)</u>
Member's equity, December 31, 2012	\$	<u>433,738</u>

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

**BELLMARK PARTNERS, LLC**

**STATEMENT OF CASH FLOWS**  
**for the year ended December 31, 2012**

---

Cash flows from operating activities:

Net income \$ 230,178

Adjustments to reconcile net income to net  
cash provided by operating activities:

Depreciation 8,950

Realized loss on securities 134

Changes in operating assets and liabilities:

Accounts receivable (49,613)

Prepaid expenses (2,468)

Deposits (988)

Travel and meals billable (3,735)

Accounts payable 367

Accrued expenses 4,770

Net cash provided by operating activities 187,595

Cash flows from investing activities:

Cash paid for purchases of investments (219,837)

Cash received for sales of investments 400,000

Cash paid for property and equipment purchases (7,741)

Net cash provided by investing activities 172,422

Cash flows from financing activities:

Repayment of Note (90,000)

Distributions to member (150,000)

Net cash used by financing activities (240,000)

Net increase in cash and cash equivalents 120,017

Cash and cash equivalents, beginning of year 143,180

Cash and cash equivalents, end of year \$ 263,197

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest \$ 8,129

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

**BELLMARK PARTNERS, LLC**

**NOTES TO FINANCIAL STATEMENTS  
for the year ended December 31, 20122**

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**1. Summary of Significant Accounting Policies:**

**Company Activities** – BellMark Partners, LLC (the Company), a Delaware Limited Liability Company, is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the States of Ohio and Massachusetts, and is a member of the Financial Industry Regulatory Authority (FINRA). The Company shall continue in perpetuity unless it is dissolved or terminated pursuant to its operating agreement or involuntarily pursuant to any regulatory action.

The Company is engaged as a securities broker-dealer, which comprises several classes of services, including primarily investment banking. The Company's services include business acquisition advisory services, capital sourcing and funding for businesses, sales advisory services, and strategic advisory services.

**Revenue Recognition** – For investment banking services, contingent fee work is recorded as revenue upon closing of the transaction and funding of financing requirements by the buyer or seller. Non-refundable retainers charged at the beginning of investment banking services are recorded as revenue when the engagement letter is signed. Monthly retainers and hourly billings are recorded as revenue when invoiced. Revenue on fixed fee contracts are recorded as earned.

**Cash and Cash Equivalents** – The Company maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any significant losses in such accounts. Management of the Company believes it is not exposed to any significant credit risk. The Company considers any deposit with a maturity date of 90 days or less to be a cash equivalent.

**Concentration of Credit Risk** – The Company is engaged in various brokerage activities in which counterparties primarily include businesses. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

**Accounts Receivable** – Accounts receivable are due under specific terms outlined in engagement letters. The Company generally collects receivables in monthly installments.

Accounts receivable are stated at the amount billed to the customer. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 30 days from the invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance for the aggregate remaining accounts receivable based on historical collectability. At December 31, 2012 the allowance for doubtful accounts was \$0.

**BELLMARK PARTNERS, LLC**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**for the year ended December 31, 2012**

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**1. Summary of Significant Accounting Policies, Continued:**

**Investments** – Investments are recorded at market value. Realized gains and losses (computed by the specific identification method) are included in investment income and any unrealized gains or losses are included in investment appreciation or depreciation. Investments are used as a part of the Company's asset management strategy and may be sold in response to changes in interest rates, the need for liquidity or other factors.

The following is a summary of investments at December 31:

	<u>2012</u>
Aggregate cost	\$ 434,202
Unrealized gain	<u>235</u>
Aggregate fair value	<u>\$ 434,437</u>

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statement of financial condition and statement of operations.

**Property and Equipment** – Property and equipment are recorded at cost. Major additions and betterments are charged to the property accounts, while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. When property is retired or otherwise disposed of, the cost of the property is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference is charged or credited to operations.

**Income Taxes** – The Company is a limited liability company whose taxable income is taxed directly to its member. Accordingly, there is no provision for income taxes.

The Company accounts for uncertainties in income taxes in accordance with accounting principles generally accepted in the United States of America, which provides for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return that have a greater than 50% chance of not being allowed under examination. No such positions have been recorded in the December 31, 2012 financial statements. If such positions were taken, the resulting interest and penalties would be recognized as income tax expense.

As of December 31, 2012, the Company's federal income tax returns are subject to examination by the Internal Revenue Service for the years 2009 and thereafter. In addition, the Company's state tax returns (Ohio) are open to examination for the years 2008 and thereafter.

BELLMARK PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS, Continued  
for the year ended December 31, 2012

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1. Summary of Significant Accounting Policies, Continued:

**Advertising Expense** – The cost of advertising is expensed as incurred. The Company incurred advertising costs of \$1,655 in 2012.

**Use of Estimates** – Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

**Subsequent Events** - Management of the Company has evaluated subsequent events through February 7, 2013, the date which the financial statements were available to be issued.

2. Property and Equipment:

Property and equipment consist of the following at December 31, 2012:

Office furniture	\$ 13,927
Computer equipment	<u>29,221</u>
	43,148
Less accumulated depreciation	<u>28,236</u>
Property and equipment, net	<u>\$ 14,912</u>

Depreciation is computed using primarily straight-line methods over the estimated useful lives of the assets, which range from 3 to 5 years. Depreciation expense totaled \$8,950 for 2012.

3. Financing Arrangements:

The Company has a \$225,000 uncollateralized note payable with a family member of which \$135,000 is outstanding. The interest rate is 4.25%. Interest only payments were required in 2011. In 2012 the Company made quarterly payments of \$22,500 plus interest. Aggregate maturities of long term debt are as follows:

2013	\$ 90,000
2014	<u>45,000</u>
	<u>\$ 135,000</u>

**BELLMARK PARTNERS, LLC**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**for the year ended December 31, 2012**

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**4. Operating Leases:**

The Company leases its Cleveland, Ohio office facilities from a third party through June, 2014. They also lease an office in Boston, Massachusetts from a third party through April, 2015. Under the terms of these agreements, the Company is responsible for all taxes and assessments on the property, insurance, utilities and repairs and maintenance. Lease expense (including related utilities) under these leases totaled \$73,508 in 2012.

The following is a schedule by year of future minimum lease payments required under leases with terms of one year or more as of December 31, 2012:

2013	\$67,987
2014	65,395
2015	<u>15,560</u>
	<u>\$ 148,942</u>

**5. Fair Value Measurements:**

The Company measures its assets in accordance with fair value standards. These standards provide a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under these accounting standards are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 – Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in inactive markets; 3) inputs other than quoted prices that are observable for the asset or liability; 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable for the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**BELLMARK PARTNERS, LLC**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**for the year ended December 31, 2012**

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**5. Fair Value Measurements, Continued:**

The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2012.

**Investments** - comprise securities measured at Level 1 and Level 3. Investments whose values are based on quoted market prices in active markets are classified within Level 1. These investments generally include fixed income securities traded on a national securities exchange. Investments classified as Level 3 (unobservable inputs) consist of an investment in a closely held company. This investment is not readily marketable, and there has been no change in its valuation from December 31, 2011 to December 31, 2012.

The following table presents the investments carried on the statement of financial condition by level within the fair value hierarchy as of December 31, 2012:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities	190,120	-	190,120
Investment in closely held company	-	25,000	25,000
Total investments at fair value	<u>\$ 190,120</u>	<u>\$ 25,000</u>	<u>\$ 215,120</u>

**6. Net Capital Provision of Rule 15c3-1, Continued:**

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 balance, as defined, under such provisions.

The Company's minimum capital requirement is the greater of \$5,000 or 6 2/3% of aggregate indebtedness, as defined, under Securities and Exchange Commission Rule 15c3-1(a)(1), as it does not maintain customer accounts. Net capital may fluctuate on a daily basis. At December 31, 2012, the Company had net capital of \$283,466, which was \$272,286 in excess of its required net capital of \$11,180.

In addition to the minimum net capital provisions, Rule 15c3-1 requires that the Company maintain a ratio of aggregate indebtedness, as defined, to net capital, of not more than 15 to 1. At, December 31, 2012 the ratio was .59 to 1.

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**for the year ended December 31, 2012**

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**7. Exemption From Rule 15c3-3:**

The Company acts as an investment banking broker-dealer, promptly transmitting all funds and delivering all securities received in connection with its activities as a broker or dealer and does not otherwise hold funds or securities for or owe money or securities to customers. The Company operates under Section (k)(2)(i) of Rule 15c3-3 of the Securities Exchange Act of 1934 and is therefore exempt from the requirements of Rule 15c3-3.

**SUPPLEMENTAL SCHEDULE OF COMPUTATION OF NET CAPITAL  
PURSUANT TO RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2012**

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Net capital:	
Total member's equity from statement of financial condition	\$ 433,738
Less non-allowable assets	<u>(148,118)</u>
Net capital before haircuts on securities	285,620
Haircuts on securities	<u>(2,154)</u>
Net capital	<u>\$ 283,466</u>
Computation of aggregate indebtedness - total liabilities from statement of financial condition	<u>\$ 167,698</u>
Computation of basic net capital requirement - 6-2/3% of aggregate indebtedness	<u>\$ 11,180</u>
Minimum required net capital	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 11,180</u>
Excess net capital	<u>\$ 272,286</u>
Ratio of aggregate indebtedness to net capital	<u>.59 to 1</u>

A reconciliation of the computation of net capital under Rule 15c3-1 as included in the Company's unaudited Form X-17a-5 as of December 31, 2011, filed with the Securities and Exchange Commission and the amount included in the above computation is not required as there were no audit adjustments.

**SUPPLEMENTAL SCHEDULES OF COMPUTATION FOR DETERMINATION  
OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO THE  
POSSESSION OR CONTROL REQUIREMENTS PURSUANT TO RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION  
for the year ended December 31, 2012**

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The Company is not required to present the schedules "Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3" and "Information Relating to the Possession or Control Requirements Under Rule 15c3-3" as it meets the exemptive provisions of Rule 15c3-3, under Section (k)(2)(i) of the Rule.

# Hobe & Lucas

Certified Public Accountants, Inc.

4807 Rockside Road, Suite 510 (P) 216.524.8900  
Independence, Ohio 44131 (F) 216.524.8777  
www.hobe.com

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5**

To the Member of  
BellMark Partners, LLC  
Cleveland, Ohio

In planning and performing our audit of the financial statements of BellMark Partners, LLC for the year ended December 31, 2012, we considered its internal control structure 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 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including 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:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13,
3. 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 an internal control structure 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 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 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.

-15-

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Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors 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 the 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, as described in the second paragraph of this report, were adequate at December 31, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of 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 those specified parties.

*Hobe L. Lucas*  
*Certified Public Accountants*

February 7, 2013

**BellMark Partners, LLC**  
**Agreed-Upon Procedures Related to an**  
**Entity's SIPC Assessment Reconciliation**  
**December 31, 2012**

SEC  
Mail Processing  
Section  
FEB 25 2013  
Washington DC  
402

**BellMark Partners, LLC**  
**Agreed-Upon Procedures Related to an**  
**Entity's SIPC Assessment Reconciliation**  
**December 31, 2012**

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

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-

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 01/01/2012 AND ENDING 12/31/2012  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BellMark Partners, LLC

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

675 West Lakeside Ave. Suite 606

(No. and Street)

Cleveland

OH

44113

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Donna Conry 216-575-1000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Hobe & Lucas Certified Public Accountants, Inc.

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

4807 Rockside Rd., Suite 510

Independence

OH

44131

(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)

OATH OR AFFIRMATION

I, David Gesmondi, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BellMark Partners, LLC, as of December 31, 20 12, 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  
MANUJAL D. DEBOUR  
Title

Cindy M. Molek  
Notary Public



CINDY M. MOLEK  
NOTARY PUBLIC - OHIO  
My commission expires  
March 25, 2014

- 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).

# Hobe & Lucas

Certified Public Accountants, Inc.

4807 Rockside Road, Suite 510 Phone: (216) 524.8900  
Independence, Ohio 44131 Fax: (216) 524.8777  
<http://www.hobe.com>

## **Independent Accountants' Report on Applying Agreed-Upon Procedures Related to an Entity's SIPC Assessment Reconciliation**

To the Board of Directors of BellMark Partners, LLC  
Cleveland, Ohio

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, 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 period from January 01, 2012 to December 31, 2012, which were agreed to by BellMark Partners, LLC, and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating BellMark Partners, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). BellMark Partners, LLC's management is responsible for the BellMark Partners, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 SPIC-7 with respective cash disbursement records noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2012 with the amounts reported in Form SIPC-7 for the year ended December 31, 2012 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers (Excel spreadsheets derived from the general ledger) that were prepared by management noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers (Excel spreadsheet derived from the general ledger) that were prepared by management supporting the adjustments noting no differences; and
5. Not applicable – there is no overpayment.

Independent Member

**BKR**

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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.

*Hobe & Lucas*  
*Certified Public Accountants*

February 7, 2013

**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**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2012

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

**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:

068714 FINRA DEC  
BELLMARK PARTNERS LLC 16\*16  
635 W LAKESIDE AVE APT 606  
CLEVELAND OH 44113-1093

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.

2. A. General Assessment (item 2a from page 2)

\$ 3,890

B. Less payment made with SIPC-6 filed (exclude interest)

( 1,951 )

JUN 11, 2012  
Date Paid

C. Less prior overpayment applied

( -0- )

D. Assessment balance due or (overpayment)

1,939

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

-0-

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 1,939

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 1,939

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.

BELLMARK PARTNERS, LLC

(Name of Corporation, Partnership or other organization)

LYONNA CORDY

(Authorized Signature)

CFO/ FINOP

(Title)

Dated the 29 day of JANUARY, 20 13.

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 1/1/2012  
and ending 12/31/2012

Eliminate cents

\$ 1,555,077

Item No.  
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

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

134  
~~0~~ 134

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. \$ \_\_\_\_\_

(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)

Total deductions

2d. SIPC Net Operating Revenues

\$ 1,555,811

2e. General Assessment @ 0025

\$ 3,890

(to page 1, line 2.A.)