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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	May 31, 2017
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
8-65199

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Dividend Capital Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

518 17th Street, 17th Floor

(No. and Street)

Denver

CO

80202

(City)

(State)

(Zip Code)

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

Charles Murray

303-228-2200

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG, LLP

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

1225 17th Street, Suite 800

Denver

CO

80202

(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)

Handwritten initials/signature

OATH OR AFFIRMATION

I, Charles Murray, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dividend Capital Securities, LLC, as of December 31, 2016, 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:

DAWN R. ROGERS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20044000815
MY COMMISSION EXPIRES JANUARY 17, 2020

Charles Murray
Signature

Designated Principal

Title

Dawn R. Rogers
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).

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)
Financial Statements and Supplementary Information
December 31, 2016
(With Report of Independent Registered Public Accounting Firm Thereon)

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

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KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

Report of Independent Registered Public Accounting Firm

The Member
Dividend Capital Securities LLC:

We have audited the accompanying statement of financial condition of Dividend Capital Securities LLC (the Company) as of December 31, 2016, and the related statements of operations, changes in member's equity, 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

The supplemental information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information contained in Schedules I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

KPMG LLP

Denver, Colorado
February 24, 2017

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Statement of Financial Condition

December 31, 2016

Assets	
Cash	\$ 5,349,931
Accounts receivable – related parties	549,994
Other assets	596,850
Total assets	<u>\$ 6,496,775</u>
Liabilities and Member's Equity	
Liabilities:	
Accounts payable and other accruals	\$ 1,022,713
Accrued commissions and bonuses	2,586,962
Other liabilities	243,591
Total liabilities	<u>3,853,266</u>
Member's equity	<u>2,643,509</u>
Total liabilities and member's equity	<u>\$ 6,496,775</u>

See accompanying notes to financial statements.

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Statement of Operations

Year ended December 31, 2016

Revenue:	
Dealer manager fees	\$ 15,582,223
Marketing fees	5,171,775
Commissions, net (Note 3)	<u>—</u>
Total revenue	<u>20,753,998</u>
Expenses:	
Commissions	4,991,248
Compensation related	5,583,335
Office and overhead	2,297,830
Marketing and travel	14,970,653
General and administrative	<u>599,209</u>
Total expenses	<u>28,442,275</u>
Net loss	<u>\$ (7,688,277)</u>

See accompanying notes to financial statements.

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Statement of Changes in Member's Equity
Year ended December 31, 2016

Member's equity, beginning of year	2,606,786
Net loss	(7,688,277)
Capital contributions from Member	<u>7,725,000</u>
Member's equity, end of year	<u>\$ 2,643,509</u>

See accompanying notes to financial statements.

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Statement of Cash Flows

Year ended December 31, 2016

Cash flows from operating activities:	
Net loss	\$ (7,688,277)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Decrease in accounts receivable – related parties	916,605
Increase in other assets	(212,506)
Decrease in accounts payable and other accruals	(600,566)
Decrease in accrued commissions and accrued commissions and bonuses	(1,009,480)
Increase in other liabilities	79,323
Net cash used in operating activities	<u>(8,514,901)</u>
Cash flows from financing activities:	
Capital contributions from Member	<u>7,725,000</u>
Net cash provided by financing activities	<u>7,725,000</u>
Net increase in cash	(789,901)
Cash, beginning of year	<u>6,139,832</u>
Cash, end of year	<u>\$ 5,349,931</u>

See accompanying notes to financial statements.

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Notes to Financial Statements

December 31, 2016

(1) Organization

Dividend Capital Securities LLC (the Company) is a wholly owned subsidiary of Dividend Capital Securities Group LLLP (DCSG or Member). The Company was formed as a limited liability company on December 20, 2001, under the laws of the State of Colorado. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). During 2016, the Company conducted business primarily as a broker-dealer to offer shares of Dividend Capital Diversified Property Fund Inc. (DPF), Industrial Property Trust Inc. (IPT), and Dividend Capital Exchange (DCX), all of which are related parties. DPF's public offering of up to \$3.0 billion in shares of common stock commenced on July 12, 2012. DPF commenced a follow-on offering of up to \$1.0 billion in shares of common stock on September 16, 2015, immediately following the end of the initial offering. IPT's public offering of up to \$2.0 billion in shares of common stock commenced on July 24, 2013. DCX's Private Placement for Interests of an indirect ownership of up to \$500 million commenced in March 2016. Additionally, the registration statement for the initial public offering of up to \$2.0 billion in shares of Industrial Logistics Realty Trust (ILT), a related party, was declared effective by the Securities and Exchange Commission on February 18, 2016. Shares of ILT were not offered during 2016.

The Company has obtained a commitment letter from DCSG that it will continue to provide equity funding for the Company's operations through at least February 25, 2018, if needed.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Use of Estimates

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

(c) Cash

The Company's cash is a financial instrument that is exposed to concentrations of credit risk. The Company invests its cash with high quality federally insured institutions. Cash balances with any one institution may exceed federally insured limits or may be invested in non-federally insured money market accounts from time to time. The Company has not realized any losses in such cash investments or accounts and believes it is not exposed to any significant credit risk.

(d) Income Taxes

The Company is treated as a single member limited liability company and, as such, is disregarded as a separate entity for federal and, to the extent possible, applicable state income tax purposes. Accordingly, the tax effects of the Company flow through to DCSG, the sole member. The sole

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Notes to Financial Statements

December 31, 2016

member of the Company is a limited liability limited partnership, which is also a nontaxable entity and flows through its pro rata share of its taxable income to the tax returns of the individual partners.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than fifty percent likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

As of December 31, 2016, there were no uncertain tax positions for which it is reasonably possible that amounts will change in the next 12 months. The earliest tax year open to examination by state or federal taxing authorities is 2013.

(e) Revenue Recognition

The Company earns dealer manager fees for managing the offerings of DPF's, IPT's, and ILT's common shares, and DCX's private placements. Revenue is also earned from commissions where the Company is the broker-dealer of record for security transactions upon consummation of the sale of the securities or property. Revenue from commissions is reported net of commission expense as the Company acts as an agent in the transaction. Dealer manager fees are earned upon the consummation of the sale of securities or property. Marketing fees and reimbursements are recognized as income when the fees are earned and become due and payable.

(3) Dealer Manager Fees, Marketing Fees, and Commissions

DPF

The Company has a Dealer Manager Agreement with DPF, to sell shares of the common stock of DPF. Under this agreement, the Company earns sales commissions, dealer manager fees, distribution fees and reimbursement of direct expenses.

DPF will pay the Company a sales commission of up to 3.0% of the net asset value per Class A share. This commission may be re-allowed to participating broker-dealers. During the year, the Company sponsored three managed offerings during June, October, and November for DPF Class I shares to select broker dealers. During this time, DPF paid the Company a sales commission of up to 4.5% of the gross value of DPF Class I shares. During the year, the Company earned sales commissions of \$3,218,625, all of which was re-allowed and presented as Commissions, net in the accompanying statement of Operations.

The Company earns a dealer manager fee for managing and coordinating the offering, working with participating broker dealers and providing sales and marketing assistance, part of which may be re-allowed to participating broker dealers. The dealer manager fee accrues daily and in amount equal to $1/365^{\text{th}}$ of 0.60% of the NAV per share for each of the Class A and Class W shares and an amount equal to $1/365^{\text{th}}$ of 0.10% of the NAV per share for the Class I shares for such day on a continuous basis from year to year. The Company also earns a distribution fee for selling shares in the offering and for on-going stockholder services, part of which may be re-allowed to participating broker dealers. The distribution fee accrues daily in an

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Notes to Financial Statements

December 31, 2016

amount equal to $1/365^{\text{th}}$ of 0.50% of NAV per share for each of the Class A shares for such day on a continuous basis from year to year. The Company also earned a dealer manager fee of 0.5% for the managed offering sales of class I shares. During the year, the Company earned dealer manager fees and distribution fees of \$797,666, which are included in Dealer manager fees in the accompanying Statement of Operations. The Company re-allowed \$324,579 of dealer manager and distribution fees, which are included in Marketing and travel in the accompanying Statement of Operations. At December 31, 2016, the Company had a receivable balance of \$44,065, and a payable balance of \$31,501 related to the dealer manager and distribution fees. The balances are included in Accounts receivable – related parties and Accounts payable and other accruals, respectively, in the accompanying Statement of Financial Condition.

The Company is reimbursed for direct expenses related to its marketing efforts of shares in DPF. The Company recognized \$1,953,298 of reimbursements for payroll related expenses from Dividend Capital Total Advisors LLC (DCTA), and \$55,410 of reimbursements for direct expenses from DPF, which is included in Marketing fees in the accompanying Statement of Operations. At December 31, 2016, the Company had a receivable from DPF in the amount of \$28,283, which is included in Accounts receivable – related parties in the accompanying Statement of Financial Condition.

IPT

The Company has a Dealer Manager Agreement with IPT, to sell shares of the common stock of IPT. Under this agreement, the Company earns sales commission, dealer manager fee, distribution fee, an organization and offering reimbursement fee and reimbursement of direct expenses.

IPT will pay the Company a sales commission of up to 7.0% of the gross offering proceeds raised from the sale of Class A shares, and up to 2.0% of the gross offering proceeds raised from the sale of Class T shares in its primary offering. This commission may be re-allowed to participating broker-dealers. During the year, the Company earned sales commissions of \$16,155,234, all of which was re-allowed and presented as Commissions, net in the accompanying Statement of Operations.

The Company earns a dealer manager fee for managing and coordinating the offering, working with participating broker dealers and providing sales and marketing assistance, part of which may be re-allowed to participating broker dealers. IPT will pay the Company a dealer manager fee of 2.5% of gross proceeds of Class A shares and 2.0% of gross proceeds of Class T shares of common stock sold in the primary offering. The Company also earns a distribution fee for selling shares in the offering and for on-going stockholder services, part of which may be re-allowed to participating broker dealers. The distribution fee accrues daily in an amount equal to 1.0% per annum of the current gross offering price per share for each of the Class T shares. During the year, the Company earned dealer manager fees and distribution fees of \$14,746,515, which are included in Dealer manager fees in the accompanying Statement of Operations. The Company re-allowed \$3,845,711 of distribution fees, which is included in Marketing and travel in the accompanying Statement of Operations. At December 31, 2016, the Company had a receivable balance of \$467,647, and a payable balance of \$464,946 related to the dealer manager and distribution fees. The balances are included in Accounts receivable – related parties and Accounts payable and other accruals, respectively, in the accompanying Statement of Financial Condition.

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Notes to Financial Statements

December 31, 2016

The Company receives 0.5% of gross offering proceeds for non-accountable expenses, which are expenses incurred related to the organization and offering of shares of IPT. The Company recognized \$2,556,925 of reimbursements for organization and offering expenses from Industrial Property Advisors LLC (IPA), which is included in Marketing fees in the accompanying Statement of Operations. None of the organization and offering expenses were re-allowed to participating broker dealers. At December 31, 2016, the Company had a receivable balance of \$175.

The Company is reimbursed payroll related expenses from IPA. The Company recognized \$199,900 of reimbursements for payroll related expenses from IPA, which is included in Marketing fees in the accompanying Statement of Operations.

ILT

The Company has a Dealer Manager Agreement with ILT to sell shares of the common stock of ILT. During 2016, the Company recognized \$10,000 in proceeds for non-accountable expenses, which are expenses incurred related to the organization and offering of shares of ILT. No shares of ILT were offered during 2016.

DCX

The Company has a Dealer Manager Agreement with DCX, to sell Private Placements for Interests of indirect ownership of DCX. Under this agreement, the Company earns sales commission, a dealer manager fee and reimbursement of direct expenses.

DCX will pay the Company a sales commission of up to 5.0% of gross equity proceeds raised through the Private Placements. This commission may be re-allowed to participating broker-dealers. During the year, the Company earned sales commissions of \$116,667, all of which was re-allowed and presented as Commissions, net in the accompanying Statement of Operations.

The Company earns a dealer manager fee for managing and coordinating the sale, working with participating broker dealers and providing sales and marketing assistance, part of which may be re-allowed to participating broker dealers. DCX will pay the Company a dealer manager fee of up to 1.5% of gross equity proceeds raised. During the year, the Company earned dealer manager fees of \$38,042, which are included in Dealer manager fees in the accompanying Statement of Operations. The Company re-allowed \$25,361 of dealer manager fees, which is included in Marketing and travel in the accompanying Statement of Operations.

The Company is reimbursed for direct expenses related to its marketing efforts. The Company recognized \$216,042 of reimbursements for direct expenses from DCX, which is included in Marketing fees in the accompanying Statement of Operations. At the end of the year, the Company had a receivable from DCX in the amount of \$8,062, which is included in Accounts receivable – related parties in the accompanying Statement of Financial Condition.

(4) Marketing Support

The Company has entered into marketing support agreements with various broker dealers to re-allow portions of the dealer manager and organization and offering reimbursement fee. Marketing support fees

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Notes to Financial Statements

December 31, 2016

range from 1.0% to 2.5% of total gross proceeds raised from the sale of IPT as negotiated by the Company. During the year, the Company paid marketing support fees of \$7,294,663, which is included Marketing and travel in the accompanying Statement of Operations. At December 31, 2016, the Company had a marketing support fee payable of \$370,389, which is included in Accounts payable and other accruals in the accompanying Statement of Financial Condition.

(5) Regulatory Requirements

The Company is subject to the SEC uniform net capital rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 or 6% of aggregate indebtedness, whichever is greater, not to exceed aggregate indebtedness to net capital ratio of 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1 to aggregate indebtedness. At December 31, 2016, the Company had regulatory net capital of \$1,998,704, which was \$1,741,819 in excess of its minimum net capital requirement of \$256,885. At December 31, 2016, the aggregate indebtedness to net capital ratio was 1.9 to 1.

The Company is exempt from Rule 15c3-3 under Subsection k(2)(i) of the Securities and Exchange Act of 1934. Under this exemption, Computation for Determination of Reserve Requirements and Information Relating to the Possession or Control Requirements are not required.

(6) Related-Party Transactions

The Company has a relationship with Overhead Services, Inc. (OSI), a related party, which requires the Company to pay allocated expenses from OSI, including: payroll-related expenses, office supplies, rent, insurance, taxes, and other ordinary administrative expenses. The overhead expenses are allocated to the Company based on the Company's associated number of full-time equivalent employees. The Company incurred \$1,606,551 of these related-party expenses for the year ended December 31, 2016, which are included in Office and overhead expense in the accompanying Statement of Operations. At the end of the year, the Company had an intercompany payable to OSI in the amount of \$155,877, which is included in Accounts payable and other accruals in the accompanying Statement of Financial Condition. In addition, OSI will pay direct expenses on behalf of the Company, and subsequently seek reimbursement. During the year ended December 31, 2016, OSI paid direct expenses of \$162,396 on behalf of the Company. The Company has a deposit with OSI in the amount of \$110,000, which is included in Other assets in the accompanying Statement of Financial Condition.

Additionally, as discussed in note 3, all revenue earned by the Company is from related parties.

Other Reimbursements. The Company recognized \$180,200 of reimbursements from an affiliate for payroll related expenses to a registered employee, which is included in Marketing fees in the accompanying Statement of Operations.

(7) Subsequent Events

The Company has evaluated subsequent events through February 24, 2017, the date the financial statements were available to be issued. This evaluation determined that there are no subsequent events that necessitated disclosure and/or adjustment.

DIVIDEND CAPITAL SECURITIES LLC
 (A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2016

Net capital:	
Member's equity	\$ 2,643,509
Less nonallowable assets:	
Accounts receivable – related parties, net of allowable portion	47,955
Other assets	596,850
Net capital	<u>1,998,704</u>
Minimum required net capital (greater of \$5,000 or 6⅔% of aggregate indebtedness of \$3,853,265)	<u>256,885</u>
Capital in excess of minimum requirements	<u>\$ 1,741,819</u>
 Aggregate indebtedness	 <u>\$ 3,853,266</u>

The computation of net capital in conjunction with Form X-17A-5, as of December 31, 2016, as filed on January 26, 2017, does not differ from the computation under Rule 15c3-1, as calculated above.

See accompanying report of independent registered public accounting firm.

Schedule II

DIVIDEND CAPITAL SECURITIES LLC

(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)

Computation for Determination of Reserve Requirements and PAB Accounts Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2016

The Company claims exemption from the requirements of SEC Rule 15c3-3, under Section (k)(2)(i) of the Rule.

See accompanying report of independent registered public accounting firm.

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)
Information for Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange
Commission

December 31, 2016

The Company claims exemption from the requirements of SEC Rule 15c3-3, under Section (k)(2)(i) of the Rule.

See accompanying report of independent registered public accounting firm.

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 12/31/2016

(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:

065199 FINRA DEC
DIVIDEND CAPITAL SECURITIES LLC
518 17TH STREET
17TH FLOOR
DENVER, CO 80202-4130

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.

JOHN BAUERLE 303-953-3898

WORKING COPY

2. A. General Assessment (item 2e from page 2)	\$ <u>16,580</u>
B. Less payment made with SIPC-6 filed (exclude Interest)	(<u>8,143</u>)
<u>7/25/2016</u>	
Date Paid	
C. Less prior overpayment applied	(<u>0</u>)
D. Assessment balance due or (overpayment)	<u>8,437</u>
E. Interest computed on late payment (see instruction E) for <u>0</u> days at 20% per annum	<u>0</u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>8,437</u>
G. PAYMENT: <input checked="" type="checkbox"/> the box	
Check mailed to P.O. Box <input type="checkbox"/> Funds Wired <input checked="" type="checkbox"/>	
Total (must be same as F above)	\$ <u>8,437</u>
H. Overpayment carried forward	\$(<u>0</u>)

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.

Dividend Capital Securities, LLC

(Name of Corporation, Partnership or other organization)

[Signature]
(Authorized Signature)

Dated the 22 day of February, 2017.

Controller

(Title)

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 01/01/2016
and ending 12/31/2016

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>20,753,998</u>
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	0
(2) Net loss from principal transactions in securities in trading accounts.	0
(3) Net loss from principal transactions in commodities in trading accounts.	0
(4) Interest and dividend expense deducted in determining item 2a.	0
(5) Net loss from management of or participation in the underwriting or distribution of securities.	0
(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.	0
(7) Net loss from securities in investment accounts.	0
Total additions	0
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.	0
(2) Revenues from commodity transactions.	0
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	0
(4) Reimbursements for postage in connection with proxy solicitation.	0
(5) Net gain from securities in investment accounts.	0
(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.	0
(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).	(2,631,798)
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	
Marketing Support Fees	(11,490,314)
(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.	\$ 0
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ 0
Enter the greater of line (i) or (ii)	0
Total deductions	(14,122,112)
2d. SIPC Net Operating Revenues	\$ <u>6,631,886</u>
2e. General Assessment @ .0025	\$ <u>16,580</u>

(to page 1, line 2.A.)



KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

Report of Independent Registered Public Accounting Firm

The Member
Dividend Capital Securities LLC:

We have reviewed management's statements, included in the accompanying Dividend Capital Securities LLC Exemption Report (the Exemption Report), in which (1) Dividend Capital Securities LLC (the Company) identified the following provisions of 17 C.F.R. § 15c3-3 (k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k)(2)(i) (the exemption provisions); and (2) the Company stated that it met the identified exemption provisions throughout the year ended December 31, 2016 without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

KPMG LLP

Denver, Colorado
February 24, 2017

DIVIDEND CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of Dividend Capital Securities Group LLLP)
Dividend Capital Securities LLC Exemption Report

Year ended December 31, 2016

Dividend Capital Securities LLC (the "Company") is a registered broker-dealer subject to rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

The Company claims an exemption from 17 C.F.R. § 240.15c3-3(k)(2)(i) and the Company met the exemption provision throughout the most recent fiscal year January 1, 2016 to December 31, 2016 without exception.

Dividend Capital Securities LLC

A handwritten signature in black ink, appearing to read "Charles Murray", with a long horizontal flourish extending to the right.

By:

Charles Murray, President

February 24, 2017