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FEB 23 2017 ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III  
Washington DC  
406

SEC FILE NUMBER
8-68956

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: SITUS Capital Management LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
6 Concourse Parkway, Suite 3000

(No. and Street)  
Atlanta GA 30328  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Elena Paddison 713-328-4395  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

EEPB P.C.

(Name - if individual, state last, first, middle name)  
2950 North Loop West, Suite 1200 Houston TX 77092  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

<b>FOR OFFICIAL USE ONLY</b>

\*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)

B.S.

OATH OR AFFIRMATION

I, Elena Paddison, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Situs Capital Management 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:

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

[Signature] 02.13.2017  
Signature

Controller and Financial and Operations Principal  
Title

[Signature]  
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.

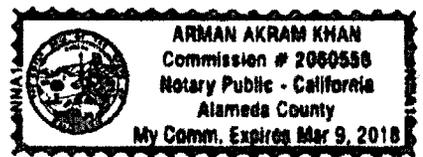
\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California **JURAT**  
County of Alameda

Subscribed and sworn to (or affirmed) before me on this 13 day of FEB, 2017 by ELENA PADDISON

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.  
Signature [Signature]



Financial Statements and Supplemental Schedule  
Pursuant to Rule 17a-5 of the Securities and  
Exchange Commission with Report of  
Independent Registered Public Accounting Firm

**Situs Capital Management LLC**

For the Year Ended December 31, 2016

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
of SITUS CAPITAL MANAGEMENT, LLC

We have audited the accompanying statement of financial condition of SITUS CAPITAL MANAGEMENT, LLC 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 SITUS CAPITAL MANAGEMENT, LLC'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 SITUS CAPITAL MANAGEMENT, LLC as of December 31, 2016, 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.

The information contained in Schedules I and II has been subjected to audit procedures performed in conjunction with the audit of SITUS CAPITAL MANAGEMENT, LLC's financial statements. The supplemental information is the responsibility of SITUS CAPITAL MANAGEMENT, LLC'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 referred to above is fairly stated, in all material respects, in relation to the financial statements as a whole.

EEP B, P.C.

EEP B, P.C.  
Houston, TX

January 27, 2017

**Situs Capital Management LLC**  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2016

**ASSETS**

Cash	\$ 159,718
Accounts Receivable	9,438
Prepaid expenses and other assets	<u>33,049</u>
Total assets	<u>\$ 202,205</u>

**LIABILITIES AND EQUITY**

Accounts payable and accrued expenses	<u>\$ 8,245</u>
Total liabilities	8,245
Member's equity	<u>193,960</u>
Total liabilities and equity	<u>\$ 202,205</u>

The accompanying notes are an integral part of these statements.

**Situs Capital Management LLC**

STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2016

REVENUES:	
Advisory fees	<u>\$ 1,160,719</u>
EXPENSES:	
Commissions and Staffing	1,046,032
Regulatory and compliance expenses	87,086
General and administrative	61,063
Professional fees	52,524
Travel and entertainment	<u>7,336</u>
Total expenses	<u>1,254,041</u>
Net loss	<u><u>\$ (93,322)</u></u>

The accompanying notes are an integral part of these statements.

**Situs Capital Management LLC**

STATEMENT OF CHANGES IN MEMBER'S EQUITY  
For the Year Ended December 31, 2016

	<u>Member's capital</u>	<u>Retained Earnings</u>	<u>Member's equity</u>
Balances, December 31, 2015	\$ -	\$ 287,283	287,283
Net Loss	-	(93,322)	(93,322)
Balances, December 31, 2016	<u>\$ -</u>	<u>\$ 193,960</u>	<u>\$ 193,960</u>

The accompanying notes are an integral part of these statements.

Situs Capital Management LLC

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	<u>\$ (93,322)</u>
Adjustments to reconcile net income to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	3,441
Prepaid expenses and other assets	11,675
Accounts payable and accrued expenses	(27,234)
Due to affiliate	<u>(4,825)</u>
Total adjustments	<u>(16,944)</u>
Net cash used in operating activities	<u>(110,267)</u>
Net decrease in cash	(110,267)
CASH AT BEGINNING OF YEAR	<u>269,985</u>
CASH AT END OF YEAR	<u>\$ 159,718</u>

The accompanying notes are an integral part of these statements.

## Situs Capital Management LLC

### NOTES TO FINANCIAL STATEMENTS December 31, 2016

#### NOTE A – ORGANIZATION

Situs Capital Management LLC (the “Company”), f. k. a. TFO Capital LLC, was organized in the State of Delaware in 2011. The Company is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”).

On May 9, 2013, Situs Holdings LLC acquired the Company from its sole member in a related party transaction for \$263,964. On February 7, 2014, due to an internal reorganization, Situs Group LLC emerged as the new parent entity for the Company, whereas Situs Holdings LLC became a subsidiary of Situs Group LLC.

#### NOTE B – SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Financial Statement Presentation

The accounting policies and reporting practices of the Company conform to the predominant practices in the broker-dealer industry and are in accordance with accounting principles generally accepted in the United States of America.

##### 2. Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are maintained with various financial institutions, most of which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a maximum amount of \$250,000 per account. The Company did not have any amounts held in financial institutions above the federal insured limits at December 31, 2016. No losses have been experienced in these accounts and management believes there is no exposure to any significant credit risks.

##### 3. Use of 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 at December 31, 2016 and revenues and expenses during the year then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

##### 4. Income Taxes

The Company is treated as a disregarded entity for federal income tax purposes and generally would not incur income taxes or have any unrecognized tax benefits. Instead, its earnings and losses are included in the tax return of its owner and taxed depending on the owner’s tax situation. As a result, the financial statements do not reflect a provision for income taxes.

The Company recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in expenses.

**Situs Capital Management LLC**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
December 31, 2016

**NOTE B – SIGNIFICANT ACCOUNTING POLICIES – Continued**

The U.S. Federal jurisdiction and New York are the major tax jurisdictions where the Company files income tax returns. The Company is subject to U.S. Federal examinations by tax authorities for tax years 2013 and beyond.

**5. Government and Other Regulation**

A broker-dealer of securities business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations. As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's net capital rule (Rule 15c3-1) which requires that the Company maintain a minimum net capital, as defined.

**6. Advisory Fees**

Advisory fees are recorded as income when earned under the terms of each financial advisory agreement.

**7. Subsequent Events**

The Company has evaluated subsequent events through January 27, 2017, which is the date the financial statements were available to be issued.

**NOTE C – NET CAPITAL RULE**

The Company, as a registered broker-dealer in securities, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1) that requires that the Company maintain "Net Capital" equal to the greater of \$5,000 or 6-2/3% of "Aggregate Indebtedness," as defined. At December 31, 2016, the Company had net capital of \$151,473, which was \$146,473 in excess of its required net capital of \$5,000. The ratio of aggregate indebtedness to net capital should not exceed 15 to 1. At December 31, 2016, the ratio of "Aggregate Indebtedness" to "Net Capital" was 0.05 to 1.

**Situs Capital Management LLC**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 2016

**NOTE D – RELATED PARTY TRANSACTIONS**

The Company entered into an office expense sharing and services agreements with SitusCo LLC and Situs Real LLC (“Situs affiliates”), entities related through common ownership. The Company paid office expense sharing fees totaling \$58,273 to Situs affiliates for the year ended December 31, 2016, which is included in general and administrative expenses in the accompanying statement of operations. The Company accrued and paid \$1,385 fees for professional services, which is included in commissions and staffing expense in the accompanying statement of operations.

**NOTE E – CONCENTRATION OF CREDIT RISK**

In the normal course of business, the Company encounters economic risk, mainly comprised of credit risk and market risk. Credit risk arises from the customer securities activities which are transacted on either cash or margin basis. These transactions may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations and margin requirements are not sufficient to fully cover losses which customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill those obligations. In connection with its clearing arrangements, the Company is required to guarantee the performance of its customers in meeting their contracted obligations.

Concentrations of credit risk arise when a number of customers are engaged in similar business activities, activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

For the year ended December 31, 2016, the Company’s revenues were derived from a single customer. The loss of this customer may have an adverse effect on the Company’s operations.

SUPPLEMENTAL INFORMATION  
PURSUANT TO RULE 17A-5 OF THE  
SECURITIES EXCHANGE ACT OF 1934  
FOR THE YEAR DECEMBER 31, 2016

**Situs Capital Management LLC**

SCHEDULE I  
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15C3-1 OF  
THE SECURITIES AND EXCHANGE ACT OF 1934  
As of December 31, 2016

Total member's equity from the statement of financial condition	\$ 193,960
Deductions and/or charges - nonallowable assets	
Prepaid expenses and other assets	(42,487)
Net capital before haircuts	151,473
Haircuts on securities positions	-
Net capital	151,473
Net capital requirement (6-2/3% of aggregate indebtedness of \$8,245 or \$5,000, whichever is greater)	5,000
Excess net capital	<u>\$ 146,473</u>
Aggregate indebtedness	
Accounts payable and accrued expenses	8,245
Total aggregate indebtedness	<u>\$ 8,245</u>
Ratio of aggregate indebtedness to net capital	<u>5%</u>

Note: The above computation does not differ materially from the computation of net capital under Rule 15c3-1 as of December 31, 2016 filed by the Company with the Financial Industry Regulatory Authority on January 27, 2017.

SCHEDULE II  
COMPUTATION OF DETERMINATION OF RESERVE REQUIREMENTS UNDER  
RULE 15C3-3 OF THE SECURITIES AND EXCHANGE ACT OF 1934  
As of December 31, 2016

The Company claims exemption from SEC Exchange Act Rule 15c3-3 under paragraph (k)(2)(i) of that Rule.

**Situs Capital Management LLC**

**EXEMPTION REPORT**  
For the year ended December 31, 2016

I, as a member of management of Situs Capital Management, LLC (the "Company"), am responsible for complying with 17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers" and complying with 17 C.F.R. §240.15c3-3(k)(2)(i), (the "exemption provisions"). To the best of my knowledge and belief I state the following:

(1) I identified the exemption provisions and (2) I met the identified exemption provisions throughout the year ended December 31, 2016 without exception.

I, Elena Paddison, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By: Elena Paddison  
Title: FINOP & Controller  
Date: 1/27/2017



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
of SITUS CAPITAL MANAGEMENT, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) SITUS CAPITAL MANAGEMENT, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which SITUS CAPITAL MANAGEMENT, LLC claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(ii), (the "exemption provisions") and (2) SITUS CAPITAL MANAGEMENT, LLC stated that SITUS CAPITAL MANAGEMENT, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. SITUS CAPITAL MANAGEMENT, LLC'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 SITUS CAPITAL MANAGEMENT, LLC'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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

EEP B, P.C.

EEP B, P.C.

Houston, TX

January 27, 2017



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of SITUS CAPITAL MANAGEMENT, LLC

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, 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 year ended December 31, 2016, which were agreed to by SITUS CAPITAL MANAGEMENT, LLC and SIPC, solely to assist you and the other specified parties in evaluating SITUS CAPITAL MANAGEMENT, LLC's compliance with the applicable instructions of Form SIPC-7. SITUS CAPITAL MANAGEMENT, LLC's management is responsible for SITUS CAPITAL MANAGEMENT, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 SIPC-7 with respective cash disbursement record entries and check copies, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016 with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and

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.

EEPB, P.C.

EEPB, P.C.  
Houston, TX

January 27, 2017



**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2018  
and ending 12/31/2018

Eliminate cents

1,160,719

100.00

of Total Operating Revenue (Line 1) of Form 990-B

To: Assets:

- (1) Total income and expenses of SIPC member firms (see instructions for instructions for instructions)
- (2) Add or subtract interest income from SIPC member firms
- (3) Add or subtract interest income from SIPC member firms
- (4) Add or subtract interest income from SIPC member firms
- (5) Add or subtract interest income from SIPC member firms
- (6) Add or subtract interest income from SIPC member firms
- (7) Add or subtract interest income from SIPC member firms
- (8) Add or subtract interest income from SIPC member firms
- (9) Add or subtract interest income from SIPC member firms
- (10) Add or subtract interest income from SIPC member firms

100.00

- (1) Expenses for interest on SIPC member firms (see instructions for instructions for instructions)
- (2) Expenses for interest on SIPC member firms
- (3) Expenses for interest on SIPC member firms
- (4) Expenses for interest on SIPC member firms
- (5) Expenses for interest on SIPC member firms
- (6) Expenses for interest on SIPC member firms
- (7) Expenses for interest on SIPC member firms
- (8) Expenses for interest on SIPC member firms
- (9) Expenses for interest on SIPC member firms
- (10) Expenses for interest on SIPC member firms

100.00 Total operating revenue (line 1) of Form 990-B

Line 107 of Form 990-B (see instructions for instructions)

(1) Total operating revenue (line 1) of Form 990-B

2,902

(2) Add or subtract interest income from SIPC member firms

2,902

Eliminate cents

100.00

(1) SIPC Net Operating Revenue

1,160,719

(2) General Assessment of SIPC

2,902

(In page 1, line 2.A.)