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

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

REPORT FOR THE PERIOD BEGINNING January 1, 2016 AND ENDING December 31, 2016  
Date Date

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Venovate Marketplace, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

12230 El Camino Real Suite 230C  
(No. and Street)

San Diego CA 92130  
(City) (State) (Zip Code)

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

Richard M. Feldman 212-392-4838  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

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

1514 Old York Rd. Abington PA 19001  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

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

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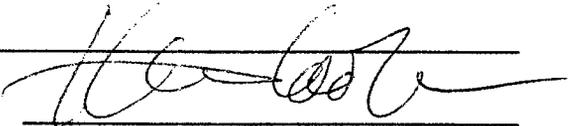
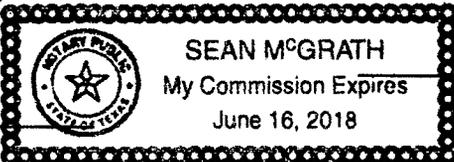
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OATH OR AFFIRMATION

I, Kat Cook, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Venovate Marketplace, Inc. 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  
SEAN M<sup>o</sup>GRATH  
Chief Executive Officer  
My Commission Expires  
June 16, 2018  
Title  
  
\_\_\_\_\_  
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 Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (e) Statement of Cash Flows
- (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) Statement of Exemption from Rule 15c3-3.
- (k) A Reconciliation, or statement, 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.
- (l) An Oath or Affirmation.
- (m) SIPC Supplemental Report and Independent Accountant's Report
- (n) Report of Independent Registered Public Accounting Firm on Statement of Exemption or Compliance
- (o) 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).

**Venovate Marketplace Inc.**  
**Statement of Financial Condition**  
**Index**  
**December 31, 2016**

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# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA

1514 OLD YORK ROAD ABINGTON, PA 19001  
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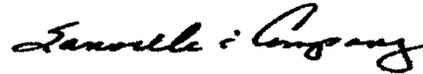
## INDEPENDENT AUDITOR'S REPORT

To the Stockholder of  
Venovate Marketplace, Inc.

We have audited the accompanying statement of financial condition of Venovate Marketplace, Inc. (the "Company") as of December 31, 2016. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Venovate Marketplace, Inc. as of December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.



Abington, Pennsylvania  
February 15, 2017

**Venovate Marketplace, Inc.**  
**Statement of Financial Condition**  
**December 31, 2016**

**Assets**

Cash and cash equivalents	\$ 23,171
Prepaid expenses	10,452
Other assets	140
<b>Total Assets</b>	<b><u>\$ 33,763</u></b>

**Liabilities and Stockholder's Equity**

Liabilities:

Accounts payable	\$ 3,150
Accrued expenses	6,044
	<u>9,194</u>

Commitments and Contingencies

Stockholder's equity

Common stock	1
Additional paid in capital	2,821,696
Accumulated deficit	<u>(2,797,128)</u>
	<u>24,569</u>

<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$ 33,763</u></b>
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See accompanying notes to the Statement of Financial Condition

**Venovate Marketplace, Inc.**  
**Notes to the Statement of Financial Condition**  
**December 31, 2016**

**1. ORGANIZATION**

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Venovate Marketplace, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly owned subsidiary of Venovate Holdings, LLC (the "Parent"). The Company was incorporated in 2009 in accordance with the laws of the state of Delaware.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Basis of Presentation**

The accounting policies and reporting practices of the Company conform to the practices in the broker-dealer industry and are in accordance with accounting principles generally accepted in the United States of America. Further the entity is considered a going concern, based on assurances from the Parent to provide additional capital, if necessary.

**Government and Other Regulation**

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations, including the SEC and FINRA. 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 SEC's net capital rules (Rule 15c3-1) which require that the Company maintain a minimum net capital, as defined. The Company will operate in accordance with the exemptive provisions of paragraph (k)(2)(i) of SEC Rule 15c3-3.

**Cash and Cash Equivalents**

The Company considers all highly liquid debt instruments having original maturities of three months or less at the date of purchase to be cash equivalents. The Company may, during the ordinary course of business, maintain account balances with banks in excess of federally insured limits. The Company has not experienced losses on these accounts, and management believes that the Company is not exposed to significant risks on such accounts.

**Revenue Recognition**

Management and Advisory service revenues are recognized when a contract is executed and collection is reasonably assured.

**Use of Estimates**

The preparation of the Statement of Financial Condition 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. The actual outcome of the estimates could differ from the estimates made in the preparation of the Statement of Financial Condition.

**Venovate Marketplace, Inc.**  
**Notes to the Statement of Financial Condition (continued)**  
**December 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Income Taxes**

The Company is treated as a Subchapter C corporation for tax purposes. The provision for income taxes includes federal income and various state income and franchise taxes currently payable, and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. Deferred income taxes result primarily from deductions and income recorded on the financial statements but not yet allowable or reportable for income tax purposes.

The Company uses the asset and liability method to account for deferred income taxes. The asset and liability method requires the recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is not reasonably assured that some portion or all of the deferred tax assets will be realized.

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.

The U.S. Federal jurisdiction and the state of California are the major tax jurisdictions where the Company files income tax returns. The Company is subject to U.S. Federal or state examinations by tax authorities for all periods since 2013.

**3. RELATED PARTIES**

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The Company entered into agreements with the Parent and an affiliate whereby the Parent and the affiliate supplied office space and shared services in accordance with such agreements. As of December 31, 2016, \$2,500 was due under these contracts.

**4. NET CAPITAL REQUIREMENTS**

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The Company, as a registered broker-dealer, is subject to the Securities and Exchange Commission's Net Capital Rule (Rule 15c3-1), which requires that the Company maintain Net Capital (as defined in the Rule) equal to the greater of \$5,000 or 1500% of Aggregate Indebtedness (also as defined), and requires that the ratio of Aggregate Indebtedness to net capital shall not exceed 15 to 1. At December 31, 2016, the Company's Net Capital was \$13,977 which was above the required Net Capital by \$8,977. At December 31, 2016, the Company's ratio of Aggregate Indebtedness to Net Capital was 0.66 to 1.

**5. STOCKHOLDER'S EQUITY**

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As of December 31, 2016, 100 shares of common stock with a par value of \$0.01 per share were authorized, issued and held by the Parent. During the year ended December 31 2016, \$54,654 was contributed into the Company by the Parent; \$45,000 in the form of cash and \$9,654 in the form of services.

**Venovate Marketplace, Inc.**  
**Notes to the Statement of Financial Condition (continued)**  
**December 31, 2016**

**6. INCOME TAXES**

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To date the Company had minimal revenues, and did incur expenses. In assessing the realizability of any resulting deferred tax asset, management considers whether it is more likely than not that some portion of the deferred tax asset will not be materialized. The ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management has determined that a valuation allowance against the deferred tax asset is appropriate in light of the companies operating losses.

As of December 31, 2016, the Company had approximately \$2,501,000 in Federal and \$1,384,000 in state net operating loss carry forwards available to offset future taxable income. These carry forwards begin expiring in 2031.

Management has determined that a reserve under ASC 740-10 is not required to be recognized as there are no significant uncertain tax positions

**7. COMMITMENTS AND CONTINGENCIES**

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The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. As of December 31, 2016 and thru the date of this report there were no such claims.

**8. CONCENTRATION OF CREDIT RISK**

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The Company maintains cash and savings accounts at one financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per insured bank account. The Company has not experienced any losses in the past in these accounts.

**9. SUBSEQUENT EVENTS**

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Management has evaluated the impact of all subsequent events through the date the Statement of Financial Condition was were available to be issued and has determined that there were no subsequent events requiring disclosure in this Statement of Financial Condition.

**VENOVATE MARKETPLACE, INC.**

**Statement of Financial Condition**

**December 31, 2016**

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