



SI

ION

18005167

| OMB APPROVAL  |                 |
|---|-----------------|
| OMB Number:   | 3235-0123       |
| Expires:  | August 31, 2020 |
| Estimated average burden<br>hours per response..... | 12.00           |

Section  
**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**

Washington  
 408  
**PART III**  
 FACING PAGE

| SEC FILE NUMBER |
|-----------------|
| 8-53117         |

**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 1/1/2017 AND ENDING 12/31/2017  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Cammack LaRhetta Brokerage, Inc.

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO.     |

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

100 William Street, Suite 215

(No. and Street)

Wellesley  
(City)

MA  
(State)

02481  
(Zip Code)

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

Michael Volo

781-997-1426  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Dannible & McKee, LLP

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

Financial Plaza 221 So. Warren Street  
(Address)

Syracuse  
(City)

NY  
(State)

13202  
(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 240.17a-5(e)(2).

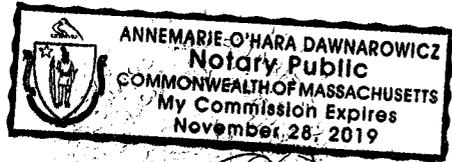
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

*E.O.*

OATH OR AFFIRMATION

I, Michael Volo, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Cammack LaRhette Brokerage, Inc., as of December 31, 2017, 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:

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



Michael Volo  
Signature

CHIEF EXECUTIVE OFFICER  
Title

Annemarie Dawnarowicz  
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 Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- (i) Information relating to the possession or control requirements for brokers and dealers 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 Securities Investor Protection Corporation (SIPC) supplemental report.
- (n) Exemption Report

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

Report of Independent Registered Public Accounting Firm

February 23, 2018

To the Board of Directors and Stockholder of  
Cammack LaRhette Brokerage, Inc.

***Opinion on the Financial Statements***

We have audited the accompanying statement of financial condition of Cammack LaRhette Brokerage, Inc. (an S Corporation) (the "Company"), as of December 31, 2017, the related statements of income, changes in stockholder's equity and cash flows for the year then ended, and the related notes and computation of net capital and aggregate indebtedness (Schedule I) (collectively referred to as financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Cammack LaRhette Brokerage, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. Federal Securities Laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

***Supplemental Information***

The schedule of computation of net capital and aggregate indebtedness (Schedule I) has been subjected to audit procedures performed in conjunction with the audit of Cammack LaRhette Brokerage, Inc.'s financial statements. The supplemental information is the responsibility of Cammack LaRhette Brokerage, Inc.'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 schedule of computation of net capital and aggregate indebtedness is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Dannible & McKee, LLP*

Dannible & McKee, LLP

We have served as Cammack LaRhette Brokerage, Inc.'s auditors since 1998.

Syracuse, New York

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S corporation)**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2017**

**ASSETS**

Current Assets

|                                    |              |
|------------------------------------|--------------|
| Cash and cash equivalents (Note 1) | \$ 119,613   |
| FINRA deposit                      | 11,429       |
| Commissions receivable (Note 1)    | 45,001       |
| Prepaid expenses                   | <u>9,724</u> |

|              |                   |
|--------------|-------------------|
| Total assets | <u>\$ 185,767</u> |
|--------------|-------------------|

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Current Liabilities

|                  |                  |
|------------------|------------------|
| Accrued expenses | <u>\$ 14,654</u> |
|                  | <u>14,654</u>    |

Stockholder's equity

|   |                |
|---|----------------|
| Common stock, \$1 par value,<br>1,000 shares authorized,<br>100 shares issued and outstanding | 100            |
| Retained earnings   | <u>171,013</u> |
| Stockholder's equity  | <u>171,113</u> |

|  |                   |
|--|-------------------|
| Total liabilities and stockholder's equity | <u>\$ 185,767</u> |
|--|-------------------|

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S corporation)**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|  |                  |
|--|------------------|
| Revenues:  |                  |
| Recurring flat fee / commissions                 | \$ 581,859       |
| Recurring consulting                             | <u>3,832</u>     |
| Total Revenue                                    | <u>585,691</u>   |
| Expenses:  |                  |
| General and administrative                       | 75,655           |
| Business development                             | <u>16,328</u>    |
| Total Expenses                                   | <u>91,983</u>    |
| Income before other expenses<br>and income taxes |                  |
|  | <u>493,708</u>   |
| Other expenses:                                  |                  |
| Management fees (Note 2)                         | <u>(430,000)</u> |
| Income before income taxes                       |                  |
|  | <u>63,708</u>    |
| Provision for income tax expenses:               |                  |
| Current State and Local                          | <u>690</u>       |
| Net Income                                       | <u>\$ 63,018</u> |

The accompanying footnotes are an integral part of these financial statements.

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S Corporation)**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                      | <u>Common<br/>Shares</u> | <u>Stock<br/>Amount</u> | <u>Retained<br/>Earnings</u> | <u>Total<br/>Stockholder's<br/>Equity</u> |
|--------------------------------------|--------------------------|-------------------------|------------------------------|---|
| Balance at December 31, 2016         | 100                      | \$ 100                  | \$ 122,995                   | \$ 123,095                                |
| Stockholder's distributions (Note 2) |                          |                         | (15,000)                     | (15,000)                                  |
| Net income                           | <u>          </u>        | <u>          </u>       | <u>63,018</u>                | <u>63,018</u>                             |
| Balance at December 31, 2017         | <u>100</u>               | <u>\$ 100</u>           | <u>\$ 171,013</u>            | <u>\$ 171,113</u>                         |

**CAMMACK LARHETTE BROKERAGE INC.**  
**(An S Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|  |                   |
|--|-------------------|
| <u>Cash from operating activities:</u>   |                   |
| Net income   | \$ 63,018         |
| Adjustments to reconcile net income to<br>net cash provided by operating activities: |                   |
| Increase in FINRA Deposit  | (9,406)           |
| Increase in commissions receivable   | (3,832)           |
| Increase in prepaid expenses   | (1,651)           |
| Increase in accrued expenses   | 2,644             |
| Total adjustments  | <u>(12,245)</u>   |
| Net cash provided by operating activities  | <u>50,773</u>     |
| <br>   |                   |
| <u>Cash used in financing activities:</u>  |                   |
| Stockholder's distributions  | <u>(15,000)</u>   |
| <br>   |                   |
| Net Increase in total cash   | 35,773            |
| Cash at beginning of the year  | 83,840            |
| Cash at end of the year  | <u>\$ 119,613</u> |
| <br>   |                   |
| <u>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY:</u>                                  |                   |
| Income taxes paid  | <u>\$ 690</u>     |

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTES TO FINANCIAL STATEMENTS:**

**NOTE 1 – Summary of significant accounting policies:**

Cammack LaRhette Brokerage, Inc. (the “Company”) is a broker-dealer registered with the Securities and Exchange Commission (SEC), and the Financial Regulatory Authority, Inc. (FINRA). The Company is incorporated in the Commonwealth of Massachusetts, effective February 1, 2007, and became a wholly-owned Subsidiary of Charles W. Cammack Associates, Inc. (“the Parent”), pursuant to an acquisition. The Company provides hospitals and other similar non-profit and for-profit groups with pension plan design, implementation and ongoing pension-related services. The Company earns all of its revenues from other broker-dealers and direct consulting.

***Revenue recognition*** – Commissions are computed:

- 1) as a percentage of the amount of funds that the employee/employer of the Company’s clients invests in their retirement accounts:
- 2) as a percentage of the total assets invested by the employee and employer: and
- 3) fixed fee charges. The amounts are paid to the Company by vendors that sell investment products to the Company’s clients. This revenue is recognized by the Company monthly, based on the amounts computed by the vendors.

***Cash and cash equivalents*** - For purposes of the statement of cash flows, the Company considers all short-term investments with a maturity of three months or less, when purchased, to be cash equivalents.

***Receivables and credit policies*** – Commissions receivables are unsecured customer obligations, which are due under normal trade terms requiring payment within thirty days from the invoice date. Interest is not accrued on outstanding receivables.

Consulting receivables are stated at the amount billed to the customer. Payments of receivables are allocated to the specific invoices identified on the customer’s remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Customer account balances with invoices aged over 180 days are considered delinquent. There were no delinquent accounts at December 31, 2017.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management’s best estimate of the amounts that will be collected. At December 31, 2017, management believes that an allowance for doubtful accounts is not required.

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S Corporation)**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2017**

**NOTE 1 – Summary of significant accounting policies (continued):**

**Concentration of credit risk** – The majority of the Company’s income is derived from the service fees/commissions earned from sales of products by a select group of investment companies. In 2017, approximately 26% of service fees/commissions earned came from two customers. Outstanding receivables at December 31, 2017, are due primarily from investment companies and are unsecured. Cash amounts held by financial institutions are insured by the Federal Deposits Insurance Corporation (FDIC). Balances in excess of the FDIC insurance are subject to normal credit risk.

**Subsequent events** – Management has evaluated subsequent events through February 23, 2018, the date that the financial statements were available for issue.

**Income taxes** – For income tax purposes, the Company is a Qualified Subchapter S Subsidiary. In this regard, for Federal and most state and local purposes, the liability for Federal and certain state and local income taxes are passed through to the stockholder, whether or not the income giving rise to such taxes has been distributed. The Company is subject to certain state and local taxes. Cash paid for state and local income taxes was \$690 in 2017.

The Company does not believe that there are any significant exposures from uncertain tax positions. The Company will include interest on income tax liabilities in interest expense and penalties in operations, if such amounts arise. The Company is no longer subject to examination by tax authorities for the closed tax years before 2014.

**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, and the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**NOTE 2 – Related party transactions:**

The Company has entered into a management agreement with the Parent. Management fees are charged in consideration of salaries, and certain operating expenses and other general and administrative expenses incurred on behalf of the Company. The Company was charged by the Parent \$430,000 for management fees for the year ended December 31, 2017. The Company paid distributions to the Parent of \$15,000 for the year ended December 31, 2017.

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S Corporation)**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2017**

**NOTE 3 – Net capital requirements:**

The Company is subject to the Securities and Exchange Uniform Net Capital Rule (SEC Rule 15c3-1), which requires maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15-to-1 (and the rule of “applicable” exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio exceeds 10-to-1).

The minimum net capital requirement is the greater of:

- 6 2/3% of aggregate indebtedness, or
- the minimum dollar requirement (\$5,000).

At December 31, 2017, the Company had net capital of \$104,959, which was \$99,959 in excess of its required net capital of \$5,000. The Company’s net capital ratio was 0.1396 to 1 at December 31, 2017.

**SCHEDULE I**

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S corporation)**  
**COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS**  
**PURSUANT TO RULE 15c3-1**

**DECEMBER 31, 2017**

Net Capital:

|                                      |    |                 |
|--------------------------------------|----|-----------------|
| Total Stockholder's Equity           | \$ | 171,113         |
| Adjustments to Net Capital:          |    |                 |
| Accounts receivable and other assets |    | <u>(66,154)</u> |
| Net Capital, as defined              | \$ | <u>104,959</u>  |

|  |    |              |
|--|----|--------------|
| Less: Minimum net capital requirements at 6 2/3% of aggregate indebtedness (\$5,000 if higher) | \$ | <u>5,000</u> |
|--|----|--------------|

|                    |    |        |
|--------------------|----|--------|
| Excess Net Capital | \$ | 99,959 |
|--------------------|----|--------|

Aggregate Indebtedness:

|                  |    |               |
|------------------|----|---------------|
| Accrued expenses | \$ | <u>14,654</u> |
|------------------|----|---------------|

|  |  |                   |
|--|--|-------------------|
| Ratio Of Aggregate Indebtedness To Net Capital |  | <u>.1396 to 1</u> |
|--|--|-------------------|

NOTE: There are no material differences between the computations above and the computations included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing.

**Review of Independent Registered Public Accounting Firm**

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S corporation)**  
**EXEMPTION FROM SEC.1934 RULE 240.15c3-3**  
**CUSTOMER PROTECTION RULE -**  
**RESERVE AND CUSTODY OF SECURITIES REQUIRED BY**  
**SECURITIES AND EXCHANGE COMMISSION**  
  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

To the best knowledge and believe of Cammack Larhette Brokerage, Inc. (the Company), the Company is exempt from SEC.1934 Rule 240.15c3-3 – Customer Protection: Reserve and Custody of Securities for the year ended December 31, 2017.

The basis for this exemption is SEC.1934 Rule 240.15c3-3(k)(2)(i). The Company is allowed to have a “Special Account for the Exclusive Benefit of customers”. All invested customer funds and securities (for which there were none during the year ended December 31, 2017) would be promptly deposited into that aforementioned “Special Account”.

The Company has met the exemption provisions of SEC.1934 Rule 240.15c3-3(k)(2)(i) throughout the year ended December 31, 2017 without exception.



Michael Volo

President

Cammack Larhette Brokerage, Inc.

Report of Independent Registered Public Accounting Firm

February 23, 2018

To the Board of Directors and Stockholder of  
Cammack LaRhette Brokerage, Inc.

We have reviewed management's statements, included in the accompanying statement of exemption, in which (1) Cammack LaRhette Brokerage, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Cammack LaRhette Brokerage, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions"), and (2) Cammack LaRhette Brokerage, Inc. stated that Cammack LaRhette Brokerage, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Cammack LaRhette Brokerage, Inc.'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 Cammack LaRhette Brokerage, Inc.'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.

*Dannible & McKee, LLP*

Dannible & McKee, LLP  
Syracuse, New York

**CAMMACK LARHETTE BROKERAGE, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULES**

**FISCAL YEAR-ENDED DECEMBER 31, 2017**

**AND**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**AND**

**SUPPLEMENTAL EXEMPTION REPORT**

\*\*\*\*\*

**SEC  
Mail Processing  
Section**

**MAR 01 2018**

**Washington DC  
408**

**CAMMACK LARHETTE BROKERAGE, INC.**  
**(An S corporation)**  
**December 31, 2017**

**CONTENTS**

|   | <u>PAGE</u> |
|---|-------------|
| Facing Page/Oath or Affirmation   | 1-2         |
| Report of Independent Registered Public Accounting Firm   | 3-4         |
| Statement of Financial Condition  | 5           |
| Statement of Income   | 6           |
| Statement of Changes in Stockholder's Equity  | 7           |
| Statement of Cash Flows   | 8           |
| Notes to Financial Statements   | 9-11        |
| Supplementary Information:  |             |
| Computation of Net Capital Pursuant to Uniform<br>Net Capital Rule 15c3-1 of the Securities and Exchange Commission | 12          |
| Report of Independent Registered Public Accounting Firm   | 13          |
| Exemption Report  | 14          |