



SEC

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

SEC FILE NUMBER
8-40919

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 1/1/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER DEALER:

**Benedetto, Gartland & Company, Inc.**

OFFICIAL USE ONLY
FIRM ID. NO.

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

**444 Madison Avenue, 4<sup>th</sup> Floor**

(No. and Street)

**New York**

(City)

**New York**

(State)

**10022**

(Zip Code)

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

**Paul A. Rahn**

**(212) 424-9714**

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

**Farkouh, Furman & Faccio, LLP**

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

SECURITIES AND EXCHANGE COMMISSION

**460 Park Avenue**

(Address)

**New York**

(City)

New

(State)

**RECEIVED**

**10022**

(Zip Code)

**MAR - 1 2018**

**DIVISION OF TRADING & MARKETS**

CHECK ONE:

- Certified Public Accountant\*
- Public Accountant
- Accountant not in residence 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 be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

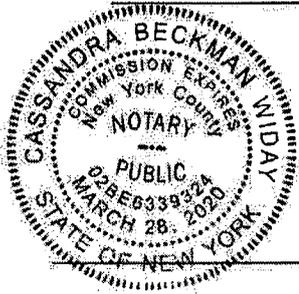
*EW*

*yw*

OATH OR AFFIRMATION

I, Paul A. Rahn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Benedetto, Garland & Company, 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:

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



Cass Beckman  
Notary Public  
2/27/2018

Paul A. Rahn

Signature

Chief Financial Officer

Title

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 Subordinated Borrowings.
- (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.
- (o) A reconciliation of net capital per original focus report to net capital.

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

**BENEDETTO, GARTLAND & COMPANY, INC.**

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**BENEDETTO, GARTLAND & COMPANY, INC.**  
**REPORT ON STATEMENT OF FINANCIAL CONDITION**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of  
Benedetto, Gartland & Company, Inc.:

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Benedetto, Gartland & Company, Inc. as of December 31, 2017, and the related notes (collectively referred to as the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of Benedetto, Gartland & Company, Inc. as of December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

This financial statement is the responsibility of Benedetto, Gartland & Company, Inc.'s management. Our responsibility is to express an opinion on Benedetto, Gartland & Company, Inc.'s financial statement 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 Benedetto, Gartland & Company, Inc. in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

*Farkouh Furman & Faccio LLP*

CERTIFIED PUBLIC ACCOUNTANTS

We have served as Benedetto, Gartland & Company, Inc.'s auditor since 2005.

New York, New York  
February 26, 2018

BENEDETTO, GARTLAND & COMPANY, INC.

STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2017

ASSETS

Cash and Cash Equivalents.....	\$	532,202
Other Receivable.....		156,776
Prepaid Expenses.....		30,461
Machinery and Equipment, net of Accumulated Depreciation of \$12,567.....		<u>18,623</u>
Total Assets .....	\$	<u>738,062</u>

LIABILITIES

Accounts Payable.....	\$	44,563
Accrued Expenses.....		<u>1,576</u>
Total Liabilities .....		<u>46,139</u>

STOCKHOLDER'S EQUITY

Common Stock, \$.01 par value, 200 shares authorized, 100 shares issued and outstanding.....		1
Additional Paid-In Capital.....		4,394,622
(Deficit).....		<u>(3,702,700)</u>
Total Stockholder's Equity.....		<u>691,923</u>
Total Liabilities and Stockholder's Equity.....	\$	<u>738,062</u>

The notes to the statement of financial condition  
are made a part hereof.

**BENEDETTO, GARTLAND & COMPANY, INC.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2017**

**ORGANIZATION AND NATURE OF BUSINESS:**

Benedetto, Gartland & Company, Inc. (the "Company") is registered with the Securities and Exchange Commission (the "SEC") as a "broker/dealer" pursuant to Section 15(b) of the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Agency. The principal business of the Company is to render investment banking services.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**METHOD OF ACCOUNTING** - The accompanying financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

**FEES RECEIVABLE** - Fees receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The Company's estimate of the allowance for doubtful accounts is based upon historical experience, its evaluation of the status of receivables, and unusual circumstances, if any. Fees considered uncollectible are charged against the allowance.

**MANAGEMENT'S USE OF ESTIMATES AND ASSUMPTIONS** - The preparation of the 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 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 those estimates.

**INCOME TAXES** - The Company is an "S" corporation for federal and state income tax purposes. Accordingly, the Company is not subject to federal and state income taxes as the net income or (loss) of the Company flows through to its shareholder. The Company is, however, subject to income taxes in New York City.

(continued)

**BENEDETTO, GARTLAND & COMPANY, INC.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2017**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Generally, the Company is subject to income tax examinations by major taxing authorities during the three-year period prior to the period covered by these financial statements. The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2017. The Company does not expect that its assessment regarding unrecognized tax benefits will materially change over the next twelve months. However, the Company's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal, U.S. state and foreign tax laws, and changes in the administrative practices and precedents of the relevant taxing authorities.

**REVENUE RECOGNITION** - Investment banking and advisory fees are recognized as revenue when earned by the Company. Gains or losses resulting from foreign currency transactions are included in net income.

**CASH AND CASH EQUIVALENTS** - The Company maintains all of its cash balances in a checking and savings account at a major international bank. The Company did not maintain cash in any other investment accounts in 2017. During the course of the year ended December 31, 2017, the bank balances were in excess of the FDIC insurance limit.

**MACHINERY AND EQUIPMENT** - Machinery and equipment are stated at their cost and are depreciated using the straight-line method over five years.

CONCENTRATION OF RISK OF CUSTOMERS:

The Company's investment banking activities are typically conducted with counterparties which may include domestic or international corporations. In the event these counterparties do not fulfill their obligations, the Company may be exposed to risk. It is the Company's policy to review, as necessary, the credit-worthiness of its counterparties. At December 31, 2017 and for the year then ended, the Company had no fees receivable. During the year ended December 31, 2017, 89% of the Company's revenue was from one counterparty.

(continued)

**BENEDETTO, GARTLAND & COMPANY, INC.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2017**

**NET CAPITAL REQUIREMENTS:**

Pursuant to the Uniform Net Capital Rule under the Securities Exchange Act of 1934 (Rule 15c3-1), the Company is required to maintain minimum net capital of the greater of \$5,000 or 6 2/3% of the Company's aggregate indebtedness as defined. At December 31, 2017, the Company had net capital of \$485,563, which is above the minimum net capital requirement of \$5,000 by \$480,563, and the Company's ratio of aggregate indebtedness to net capital was 0.095 to 1.

**LITIGATION SUPPORT BUSINESS:**

As part of its investment banking activities, the Company has significant experience in complex litigation and has provided litigation support on behalf of numerous clients in a wide range of matters. As of December 31, 2017, the Company was actively engaged in litigation support activities. Intrinsic to the Company's investment banking business is a practice of heavily weighting its revenues toward contingent "success fees". The Company frequently absorbs its expenses as part of its investment banking engagements and has extended this practice to its litigation support activities. The financial terms of its litigation support activities are consistent with the Company's general practices. The Company is seeking to expand its activities in litigation support on a contingency fee basis, including accepting financial responsibility for litigation costs, such as legal expenses, in exchange for a significant share of any recovery from judgements or settlements. The Company is not a party to any of the litigation for which it provides support. The Managing Partner of the Company is the father of the complainant in the active litigation support as of December 31, 2017.

**SUBSEQUENT EVENTS:**

The date to which events occurring after December 31, 2017, the date of the most recent statement of financial condition, have been evaluated for possible adjustment to the financial statements or disclosure is February 26, 2018 which is the date on which the financial statements were available to be issued.