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**FORM X-17A-5  
PART III**

SEC FILE NUMBER
<b>8-40919</b>

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 1/1/19 AND ENDING 12/31/19  
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**

**(917) 863-1694**

(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)

**460 Park Avenue**

(Address)

**New York**

(City)

**New York**

(State)

**10022**

(Zip Code)

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).

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, Gartland & Company, Inc., as of December 31, 2019 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:

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

Paul A. Rahn

Signature

Chief Financial Officer

Title

[Signature]

Notary Public

Jay B. Zimmer  
Notary Public State of New York  
No 02216142844  
Qualified in New York County 22  
Commission Expires March 27, 2022

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.

STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2019

ASSETS

Cash and Cash Equivalents.....	\$ 1,718,810
Prepaid Expenses.....	16,553
Machinery and Equipment, net of Accumulated Depreciation of \$25,516.....	<u>10,802</u>
Total Assets .....	<u>\$ 1,746,165</u>

LIABILITIES

Accounts Payable.....	\$ 98,440
Accrued Expenses.....	<u>5,903</u>
Total Liabilities .....	<u>104,343</u>

STOCKHOLDER'S EQUITY

Common Stock, \$.01 par value, 200 shares authorized, 100 shares issued and outstanding.....	1
Additional Paid-In Capital.....	2,994,622
(Deficit).....	<u>(1,352,801)</u>
Total Stockholder's Equity .....	<u>1,641,822</u>
Total Liabilities and Stockholder's Equity.....	<u>\$ 1,746,165</u>

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

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

**NOTES TO STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2019**

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 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.

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, 2019.

(continued)

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

**NOTES TO STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2019**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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** - The Company accounts for revenue under the provisions of FASB ASC 606, "Revenue from Contracts with Customers." Under the standard, recognition of revenue occurs when a customer obtains control of promised services or goods in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts. The Company earns advisory fees through advising clients on equity and debt financings, financial restructurings, and mergers and acquisitions (individually a "Transaction"). The fees charged by the Firm for these services are typically success-based fees based on the amount of a financing or value of an acquired asset. Revenues are recognized when the client obtains the control and benefit of a Transaction as the Company believes that this is the appropriate point in time to recognize revenue for a Transaction as there are no significant actions which the Company needs to take subsequent to this time and the client obtains the control and benefit of the Transaction at that point. The Company does not disclose information about remaining performance obligations pertaining to contracts with variable consideration allocated entirely to a wholly unsatisfied performance obligation. These contracts pertain to performance obligations of advisory services for Transactions and successful results of litigation, have no set durations and where the variable consideration is based on the dollar amount of the Transaction or litigation.

**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 account in 2019. During the course of the year ended December 31, 2019, 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.

**LEASES** – Effective January 1, 2019, the Company adopted ASU 2016-002, "Leases (Topic 842)" ("ASU 2016-02")("ASC842") and other associated standards using the modified retrospective approach for all leases entered into before the effective date. The new standard establishes a right-of-use ("ROU") model requiring a lessee to record a ROU asset and a lease liability on the balance sheet for all leases. The Company has one lease with a remaining term of less than twelve months. As the lease has a term of twelve months or less, the Company has classified the lease as a short-term lease and under ASC 842 has elected to account for it by recognizing the lease payments on the Statement of Operations as Occupancy Costs on a straight-line basis over the term of the lease.

(continued)

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

**NOTES TO STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2019**

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. During the year ended December 31, 2019, all of the Company's advisory fees were from one counterparty. At December 31, 2019, there were no receivables due from any counterparty.

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, 2019, the Company had net capital of \$1,613,574 which is above the minimum net capital requirement of \$6,957 by \$1,606,617, and the Company's ratio of aggregate indebtedness to net capital was 0.065 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, 2019, 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 President of the Company is the father of the complainant in the active litigation support as of December 31, 2019.

SUBSEQUENT EVENTS:

The date to which events occurring after December 31, 2018, the date of the most recent statement of financial condition, have been evaluated for possible adjustment to the financial statements or disclosure is February 25, 2020 which is the date on which the financial statements were available to be issued.

**BENEDETTO, GARTLAND & COMPANY, INC.**  
**REPORT ON STATEMENT OF FINANCIAL CONDITION**  
FOR THE YEAR ENDED  
DECEMBER 31, 2019

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

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