

ACB

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

PUBLIC



16013267

SEC
Mail Processing Section
ANNUAL AUDITED REPORT
FORM X-17A-5
FEB 29 2016 PART III

*

SEC FILE NUMBER
8-68621

Washington DC
Registered Brokers and Dealers Pursuant to Section 17 of the
Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01-01-15 AND ENDING 12-31-15
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BlackArch Securities LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
227 West Trade Street, Suite 2200

OFFICIAL USE ONLY
FIRM I.D. NO.

Charlotte North Carolina 28202
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Jane Caldwell, CPA, CFO 704-414-6310
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Cherry Bekaert LLP

(Name - if individual, state last, first, middle name)
1111 Metropolitan Avenue, Suite 1000, Charlotte, North Carolina 28204
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

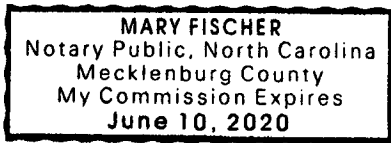
FOR OFFICIAL USE ONLY

*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 Section 240.17a-5(e)(2)

RMS

OATH OR AFFIRMATION

I, Jane Caldwell, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BlackArch Securities LLC, as of December 31, 2015, 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:



Jane Caldwell
Signature
Chief Financial Officer
Title

Mary Fischer 2/26/16
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. Cash Flows.
(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).

BLACKARCH SECURITIES LLC

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2015

And Report of Independent Registered Public Accounting Firm

BLACKARCH SECURITIES LLC
TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
Statement of Financial Condition	2
Notes to the Statement of Financial Condition	3-5



Report of Independent Registered Public Accounting Firm

The Member
BlackArch Securities, LLC
Charlotte, North Carolina

We have audited the accompanying statement of financial condition of BlackArch Securities, LLC (the "Company") as of December 31, 2015 that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. The Company's management is responsible for this financial statement. 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 financial statement is free from material misstatement. We are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, 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 statement referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2015, and is in conformity with accounting principles generally accepted in the United States of America.

Cherry Bekaert LLP

Charlotte, North Carolina
February 16, 2016

BLACKARCH SECURITIES LLC
STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2015

ASSETS

Cash and cash equivalents	<u>\$ 1,254,855</u>
Total Assets	<u><u>\$ 1,254,855</u></u>

LIABILITIES AND MEMBER'S INTEREST

Liabilities	
Accounts payable	\$ 2,706
Accrued expenses	61,202
Income taxes payable to related party	<u>305,118</u>
Total Liabilities	369,026
Member's Interest	
Total Member's Interest	<u>885,829</u>
Total Liabilities and Member's Interest	<u><u>\$ 1,254,855</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

BLACKARCH SECURITIES LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2015

Note 1—Organization and nature of operations

BlackArch Securities LLC (the “Company”), which is wholly-owned by BlackArch Partners LLC (the “Parent Company”), is a full-service investment banking firm primarily providing mergers and acquisition advisory and private capital solutions to middle market companies. The Company has elected to be registered as a broker-dealer and thus is subject to various rules and regulations promulgated by the Securities and Exchange Commission (“SEC”). Accordingly, the accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to brokers and dealers in securities.

On October 20, 2015 (the “Transaction Close Date”) all of the membership interests of the Parent Company (including the membership interests in the Company) were purchased by RFC Financial Services Holding LLC, a wholly-owned subsidiary of Regions Financial Corporation (“Regions”). The company has elected not to apply pushdown accounting.

Note 2—Summary of significant accounting policies

Use of estimates – The preparation of financial statements in conformity with GAAP 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.

Cash and cash equivalents – For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

The Company places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts. The Company, from time to time, may have amounts on deposit in excess of the insured limits.

Fee revenue – The Company’s revenues are generated primarily through providing merger and acquisition advisory and private capital solutions to middle market firms.

The Company receives placement fees and transaction fees for completed transactions. Referral fees are recognized when earned based upon the terms of signed agreements.

Income taxes – Prior to the Transaction Close Date, the Company was owned by an entity that was classified as a partnership and thus was not subject to income taxes in any jurisdiction. Accordingly, no provision for income taxes is reflected in the accompanying financial statements for income earned through the Transaction Close Date. After the Transaction Close Date, the Company is included in the consolidated federal income tax returns and state income tax returns of Regions. The method of allocation for income tax expense is determined based on a tax allocation sharing agreement between Regions and its subsidiaries. The agreement provides that subsidiary tax expense will be computed on a separate company basis taking into consideration tax elections and tax planning strategies of the consolidated tax group. The Company will make payments to or receive payments from Regions as if Regions were the Internal Revenue Service, or state taxing authority as applicable. Under the tax sharing agreement, if a net operating loss exists, the subsidiary receives payment for its loss upon the realization on the respective tax return.

BLACKARCH SECURITIES LLC
NOTES TO STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2015

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for expected future tax consequences. Under this method, deferred tax assets and liabilities are determined by applying the federal and state tax rates to the differences between financial statement carrying amounts and the corresponding tax basis of assets and liabilities. Deferred tax assets are also recorded for any tax attributes, such as tax credit and net operating loss carryforwards. The net balance of deferred tax assets and liabilities is reported in other assets in the consolidated statement of financial condition. Any effect of a change in federal and state tax rates on deferred tax assets and liabilities is recognized in income tax expense in the period that includes the enactment date. The Company reflects the expected amount of income tax to be paid or refunded during the year as current income tax expense or benefit, as applicable.

The Company evaluates the realization of deferred tax assets based on all positive and negative evidence available at the balance sheet date. Realization of deferred tax assets is based on the Company's judgments about relevant factors affecting their realization including taxable income within any applicable carryback periods, future projected taxable income, reversal of taxable temporary differences and other tax-planning strategies to maximize realization of the deferred tax assets. A valuation allowance is recorded for any deferred tax assets that are not more-likely-than-not to be realized.

Income tax benefits generated from uncertain tax positions are accounted for using the recognition and cumulative-probability measurement thresholds. Based on the technical merits, if a tax benefit is not more-likely-than-not of being sustained upon examination, the Company records a liability for the recognized income tax benefit. If a tax benefit is more-likely-than-not of being sustained based on the technical merits, the Company utilizes the cumulative probability measurement and records an income tax benefit equivalent to the largest amount of tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with a taxing authority. The Company recognizes interest expense, interest income and penalties related to unrecognized tax benefits within current income tax expense.

The Company had no deferred tax assets or deferred tax liabilities at December 31, 2015.

The Company is included in Regions' federal and state income tax returns for periods after the Transaction Close Date. Regions entered the Internal Revenue Service's Compliance Assurance Process program for 2015.

For the period ended December 31, 2015, the Company had no uncertain tax benefits and accordingly, does not expect a significant change from this position during the next twelve months. In addition, the Company has not recognized any interest or penalties associated with income tax positions in its Statement of Income. For the period ended December 31, 2015, the Company did not reflect any liabilities from interest or penalties.

BLACKARCH SECURITIES LLC
NOTES TO STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2015

Note 3—Capital requirements

The Company is subject to the SEC's Uniform Net Capital Rule 15c3-1 ("Rule 15c3-1"), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 further requires that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. The net capital and net capital ratio, which agree with our Focus Report as of December 31, 2015 were as follows:

Net capital	\$885,829
Net capital ratio (ratio of indebtedness to capital)	0.4166 to 1

Note 4—Indemnification agreements

The Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these agreements is unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Note 5—Part I, Form X-17a-5

The most recent annual report of the Company is available for examination and copying at the office of the Company and at the Atlanta Regional Office of the Securities and Exchange Commission.

Note 6 — Subsequent events

The Company has evaluated subsequent events through February 16, 2016, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.