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SECTION



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

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**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 January 1, 2016 AND ENDING December 31, 2016  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: RMN Securities, Inc. d/b/a Senate Securities

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

253 Wall Street  
(No. and Street)  
Kingston New York 12401  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Richard Netter 845-338-3377  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

BBSM LLP  
(Name - if individual, state last, first, middle name)  
805 Third Ave. 14th FL New York NY 10022  
(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)

2017  
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10022  
805 3rd Ave  
New York NY

OATH OR AFFIRMATION

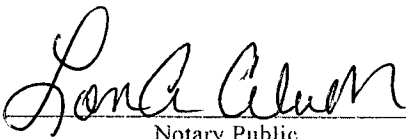
I, Richard Netter, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RMN Securities, Inc. d/b/a Senate Securities, as of December 31, 2016, are true and correct. I further swear (or affirm) that neither 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

PRESIDENT

Title

  
Notary Public

LORI A. CELUCH  
Notary Public, State of New York  
Reg. No. 5070041  
Resident in and for Ulster County  
Commission Expires Dec. 9, 2018

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.
- (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).

REPORT PURSUANT TO RULE 17a-5 AND  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**RMN Securities, Inc.**

**d/b/a Senate Securities**

Financial Statements and Schedules

December 31, 2016

(With Report of Independent Registered Public Accounting Firm Thereon  
and Supplemental Reports on Exemption)

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Report of Independent Registered Public Accounting Firm

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of the Securities and Exchange Commission

Schedule II - Statement Regarding SEC Rule 15c3-3

Report of Independent Registered Public Accounting Firm

Exemption Report

# RBSM<sub>LLP</sub>

Accountants & Advisors

805 Third Avenue  
14<sup>TH</sup> Floor  
New York, NY 10022  
212.838.5100  
212.838.2676/ Fax  
www.rbsmllp.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders' and Board of Directors of  
RMN Securities, Inc. d/b/a Senate Securities  
Kingston, NY

We have audited the accompanying financial statements of RMN Securities, Inc. d/b/a Senate Securities, which comprise the statement of financial condition as of December 31, 2016, and the related statements of income and stockholders' equity and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. RMN Securities, Inc. d/b/a Senate Securities management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. The Company is 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 statements, 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 statements referred to above present fairly, in all material respects, the financial condition of RMN Securities, Inc. d/b/a Senate Securities as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Schedule I, Computation of Net Capital Under Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 (exemption) and Information for Possession or Control Requirements Under Rule 15c3-3 (exemption), has been subjected to audit procedures performed in conjunction with the audit of RMN Securities, Inc. d/b/a Senate Securities's financial statements. The supplemental information is the responsibility of RMN Securities, Inc. d/b/a Senate Securities'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 Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

RBSM LLP

New York, NY  
February 28, 2017

New York, NY Washington DC Mumbai, India San Francisco, CA Las Vegas, NV Kansas City, KS Beijing, China Athens, Greece

Member: ANTEA Alliance with offices in major cities worldwide

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2016**

**ASSETS**

Cash and cash equivalents	\$ 32,957	
Cash - segregated in compliance with federal regulations	11,002	
Accounts receivable	32,483	
Other assets	<u>6,976</u>	
Total current assets	<u>83,418</u>	
Total assets		<u>\$ 83,418</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Liabilities**

Accounts payable and accrued expenses	<u>\$ 23,263</u>	
Total current liabilities		\$ 23,263

**Stockholder's equity**

Capital stock, no par value, 200 shares authorized, issued and outstanding	19,754	
Retained earnings	<u>40,401</u>	
Total stockholder's equity		<u>60,155</u>
Total liabilities and stockholder's equity		<u>\$ 83,418</u>

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**STATEMENT OF OPERATIONS**  
**Year ended December 31, 2016**

**Revenue**

Commissions \$ 339,829

**Expenses**

Compensation and benefits \$ 61,000

Commissions 171,014

Clearing expense 30,000

Occupancy 21,407

Professional fees 12,701

Regulatory fees 2,738

Other expenses 28,457

Total expenses 327,317

**Net income** \$ 12,512

See notes to financial statements

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**Year ended December 31, 2016**

	<u>Common Stock</u>		<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	
Balance, January 1, 2016	200	\$ 19,754	\$ 42,791	\$ 62,545
Stockholder's distribution	-	-	(14,902)	(14,902)
Net income	<u>-</u>	<u>-</u>	<u>12,512</u>	<u>12,512</u>
Balance, December 31, 2016	<u>200</u>	<u>\$ 19,754</u>	<u>\$ 40,401</u>	<u>\$ 60,155</u>



**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**STATEMENT OF CASH FLOWS**  
**Year ended December 31, 2016**

**Cash flows from operating activities**

Net income		\$ 12,512
Adjustments to reconcile net income to net cash provided by operating activities:		
<i>Change in operating assets and liabilities:</i>		
Decrease in accounts receivable	7,396	
Increase in other assets	(6,977)	
Increase in accounts payable and accrued expenses	<u>2,892</u>	<u>3,311</u>
Net cash provided by operating activities		15,823

**Cash flows from financing activities**

Stockholder's distributions		<u>(14,902)</u>
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Net increase in cash		921
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<b>Cash and cash equivalents, beginning of year</b>		<u>32,036</u>
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<b>Cash and cash equivalents, end of year</b>		<u><u>\$ 32,957</u></u>
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**Supplemental disclosure of cash flows information**

Cash paid during the year for:

Interest		<u>\$ -</u>
Income taxes		<u>\$ -</u>

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**1. Nature of Business and Summary of Significant Accounting Policies**

*Nature of business*

RMN Securities, Inc. d/b/a Senate Securities (the "Company") was formed on February 8, 1989, and began operating as a broker-dealer upon approval of its registration with the National Association of Securities Dealers, Inc. at that time. The Company made a Sub-Chapter S Corporation election with the Internal Revenue Service on February 8, 1989. The Company's business consists of providing subscription only brokerage, financial and employee benefit services to individuals and institutions.

The Company is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA). The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the United States Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that Rule. The requirements of Paragraph (k)(2)(ii) provide that the Company is an introducing broker-dealer, who clears all customer transactions on a fully-disclosed basis with a clearing broker-dealer and promptly transmit all customer funds and securities to the clearing broker dealer. The clearing broker-dealer carries all of the customer accounts of the introducing broker-dealer and maintains and preserves such books and records related to customer accounts as required by SEC Rules 17a-3 and 17a-4.

*Revenue recognition*

The Company receives commission income for investment advisory, brokerage services related to customer trading of mutual funds. Commissions are recorded at the date of client commitment and their related clearing expenses are recorded on a trade-date basis as securities transactions occur.

*Cash and cash equivalents*

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents include investments in money market funds and are stated at cost, which approximates market value.

*Accounts receivable*

Accounts receivable consists of commissions earned during the year that will be collected after December 31, 2016. The Company uses the direct write-off method to recognize bad debts on accounts receivable. Periodically, management reviews past due receivables and writes off those balances deemed uncollectible after all reasonable collection efforts have been exhausted. If the reserve method were used, it would not have a material effect on the financial statements. Management has determined that there is no need for an allowance for doubtful accounts to be recorded as of December 31, 2016.

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**1. Nature of Business and Summary of Significant Accounting Policies, Continued**

*Income taxes*

The Company, with the consent of its stockholder, has elected under the provisions of Sub-Chapter "S" of the Internal Revenue Code to be an S Corporation. In lieu of Federal and State corporate income taxes, the stockholders of an S Corporation are taxed individually on their proportionate share of the Company's taxable income. Accordingly the financial statements reflect no provision or liability for Federal or State income taxes. The Company's federal and state income tax returns for the years ended December 31, 2013 to 2016 remain open for audit by the applicable regulatory authorities.

*Advertising*

The Company expenses advertising costs as incurred. The Company recorded advertising expense of \$4,601 for the year ended December 31, 2016.

*Accounting 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 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. Estimates are used in the determination of accounts receivable, among others.

*Recently Issued Accounting Pronouncements*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) "ASU 2016-02 Leases" intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate, and equipment, including office equipment.

The ASU will require organizations that lease assets – referred to as "lessees" – to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current Generally Accepted Accounting Principles (GAAP), the recognition, measurement, and presentation of expenses and cash flows arising from lease by a lessee primarily will depend on its classification as a financing or operating lease. However, unlike current GAAP – which requires only capital leases to be recognized on the balance sheet – the new ASU will require both types of leases to be recognized on the balance sheet. The ASU on leases will take effect for non-public companies for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company has not adopted this guidance for 2016 and is currently evaluating the impact of adopting this guidance.

The Company does not believe any of the other recently issued but not effective accounting pronouncements once effective will have any effect on the Company's reporting.

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**2. Net Capital Requirements**

The Company is subject to the United States Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2016, the Company had net capital of \$53,179, which is in excess of its' required net capital of \$25,000. The Company's percentage of aggregate indebtedness to net capital on December 31, 2016 was .44 to 1.

**3. Concentration of Risk**

*Credit Risk*

The Company holds substantially all cash balances with two financial institutions which may, at times, exceeds federally insured limits. As of December 31, 2016, 85% of the accounts receivable was due from its clearing broker or \$27,541.

*Business Risk*

The Company's revenues and profitability are affected by many conditions, including changes in economic conditions, inflation, political events, and investor sentiment. Because these factors are unpredictable and beyond the Company's control, earnings may fluctuate significantly from year to year.

**4. Regulation**

The Company is registered as a broker-dealer with the United States Securities and Exchange Commission (SEC). The securities industry in the United States is subject to extensive regulation under both federal and state laws. The SEC is the federal agency responsible for the administration of the federal securities laws. Much of the regulation of broker-dealers has been delegated to the Financial Industry Regulatory Authority (FINRA), which has been designated by the SEC as the Company's primary regulator. This self-regulatory organization adopts rules, subject to approval by the SEC, that govern the industry and conduct periodic examinations of the Company's operations. The primary purpose of these requirements is to enhance the protection of customer assets. These laws and regulatory requirements subject to the Company to standards of solvency with respect to capital requirements, financial reporting requirements, record keeping and business practices, the use and safekeeping of customers' funds and securities, and the conduct of directors, officers, and employees.

Securities firms are also subject to regulation by state securities administrators in those states in which they conduct business.

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**5. Clearing Broker**

The Company conducts business with its clearing broker on behalf of its customers and for its own proprietary accounts. The Company earns commissions as an introducing broker for the transactions of its customers. The clearing and depository operations for the Company's customer accounts and proprietary transactions are performed by its clearing broker pursuant to a clearance agreement.

The Company has agreed to indemnify its clearing broker for losses the clearing broker may sustain as a result of the failure of the Company's customers to satisfy their obligations in connection with their securities transactions. The Company does have \$11,002 of cash and cash equivalents held on deposit for the satisfaction of any unsettled obligations.

In the normal course of business, customers may sell securities short. Subsequent market fluctuations may require the clearing broker to obtain additional collateral from the Company's customers.

**6. Commitments and Contingencies**

The Company leases office space in Kingston, New York. This lease is year to year and renewed annually. Rent expense for the year ended December 31, 2016 was \$17,762.

The Company also leases a vehicle under a non-cancellable operating lease. The lease expense for the year ended December 31, 2016 was \$5,507. Future minimum lease payments under this non-cancellable lease arrangement are \$5,724, \$5,724 and \$2,862 for the years ending December 31, 2017, 2018 and 2019, respectively.

**7. Subsequent Events**

The Company has evaluated subsequent events through February 28, 2017, the date which the financial statements were issued.

**SUPPLEMENTARY INFORMATION**

**RMN SECURITIES, INC.**  
**d/b/a SENATE SECURITIES**  
**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1**  
**OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**December 31, 2016**

**NET CAPITAL**

Total stockholder's equity		\$ 60,155
Less non-allowable assets:		
Other assets, prepaids	\$ 6,976	
Total non-allowable assets		<u>6,976</u>
Net capital		<u>\$ 53,179</u>

**AGGREGATE INDEBTEDNESS**

Accounts payable and accrued expenses	\$ 23,263	
Total aggregated indebtedness		<u>\$ 23,263</u>

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (greater of \$25,000 or 6-2/3% of aggregate indebtedness)		<u>\$ 25,000</u>
Net capital in excess of minimum requirement		<u>\$ 28,179</u>

**RATIO: AGGREGATE INDEBTEDNESS TO NET CAPITAL**

		<u>.44 to 1</u>
Net capital, per unaudited December 31, 2016 FOCUS report		\$ 53,179
Net audit adjustment		<u>-</u>
Net Capital, per December 31, 2016 audit report		<u>\$ 53,179</u>

**Statement Pursuant to Paragraph (d)(4) of Rule 17a-5**

No material differences exist between the net capital computation above and the computation included in the FOCUS Form X-17-a-5 Part II, as filed and amended by the Company on February 28, 2017.

Schedule II

**RMN Securities, Inc. d/b/a Senate Securities**  
STATEMENT REGARDING SEC RULE 15c3-3

December 31, 2016

**Exemptive Provisions**

The Company claims exemption from the requirements of Rule 15c3-3 under Sections (k)(2)(ii), for A and B. Therefore, the following reports are not presented:

- A) Computation for Determination of Reserve Requirement under Rule 15c3-3.
- B) Information relating to the Possession or Control Requirements under Rule 15c3-3.



# RBSM<sub>LLP</sub>

Accountants & Advisors

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of  
RMN Securities, Inc. d/b/a Senate Securities  
Kingston, NY

We have reviewed management's statements, included in the accompanying Exemption Report, in (1) which RMN Securities, Inc. d/b/a Senate Securities identified the following provisions of 17 C.F.R. §15c3-3(k) under which RMN Securities, Inc. d/b/a Senate Securities claimed an exemption from 17 C.F.R. §240.15c3-3 (k) (2) (ii) RMN Securities, Inc. d/b/a Senate Securities will not hold customer funds or safekeep customer securities (the "exemption provisions") and (2) RMN Securities, Inc. d/b/a Senate Securities stated that RMN Securities, Inc. d/b/a Senate Securities met the identified exemption provisions throughout the most recent fiscal year without exception. RMN Securities, Inc. d/b/a Senate Securities'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 RMN Securities, Inc. d/b/a Senate Securities'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) (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

RBSM LLP

New York, NY  
February 28, 2017

RMN SECURITIES, INC. d/b/a SENATE SECURITIES  
EXEMPTION REPORT  
UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
AS AT DECEMBER 31, 2016

RMN Securities, Inc. d/b/a Senate Securities (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k)(2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

RMN Securities, Inc. d/b/a Senate Securities

I, Richard Netter, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

Title: CEO

Date: 2/28/17