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

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

SEC FILE NUMBER 8-52858

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 01/01/09 AND ENDING 12/31/09 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Blue Trading, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 70 East 55th Street, 15th Floor New York NY 10022

OFFICIAL USE ONLY FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Mitchell Kosches 212-404-1790

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report* Di Siena CPAs, LLP 450 Seventh Avenue, Suite 801 New York, NY 10123

- CHECK ONE: [X] 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)

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.

OATH OR AFFIRMATION

I, Mitchell Kosches, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Blue Trading, LLC, as of December 31, 2009, 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:

CAROL WANG
Notary Public, State of New York
No. 01WA6087955
Qualified in Queens County
Commission Expires March 3, 2011

Carol Wang
Notary Public

[Signature]
Signature
CPA
Title

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of ~~Income (Loss)~~ operations
- (d) Statement of ~~Changes in Financial Condition~~ cash flow
- (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).

BLUE TRADING, LLC

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

DiSiena CPAs, LLP
450 Seventh Avenue, Suite 801
New York, NY 10123

BLUE TRADING, LLC
FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2009

CONTENTS

AUDITED FINANCIAL STATEMENTS:

Independent auditors' report	1
Statement of financial condition	2
Statement of operations	3
Statement of changes in members' equity	4
Statements of cash flows	5
Computation of net capital under Rule 15c3-1 of the Securities and Exchange Commission	6
Notes to financial statements	7-8
Independent auditors' report on internal accounting control required by Rule 17a-5 of the Securities and Exchange Commission	9-10

INDEPENDENT AUDITORS' REPORT

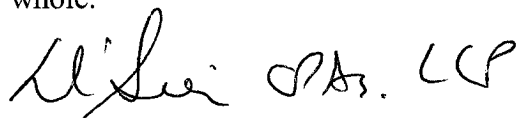
The Members of
Blue Trading, LLC

We have audited the accompanying statements of financial condition of Blue Trading, LLC as of December 31, 2009 and 2008 and the related statement of operations, changes in members' equity, cash flow for the year then ended. These financial statements are the responsibility of Blue Trading, LLC management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 position of Blue Trading, LLC at December 31, 2009 and 2008, and the results of its operations and cash flow for the year ended December 31, 2009 and 2008, in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on page 6 is presented for the purposes of an additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DiSiena CPAs, LLP
New York, New York
March 8, 2010

BLUE TRADING, LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Checking/Savings		
JP Morgan Chase	\$49,847	\$123,183
Total Checking/Savings	<u>49,847</u>	<u>123,183</u>
Other Current Assets		
Accrued Solicitation Income	452,161	634,467
Accounts Receivable	55,470	0
Clearing Deposits	616,466	550,000
Total Other Current Assets	<u>1,124,097</u>	<u>1,184,467</u>
Total Current Assets	1,173,944	1,307,650
Fixed Assets (net)	21,659	49,232
Other Assets		
Goodwill	65,000	65,000
Security Deposits	10,560	21,171
Total Other Assets	<u>75,560</u>	<u>86,171</u>
TOTAL ASSETS	<u><u>\$ 1,271,163</u></u>	<u><u>\$ 1,443,053</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 144,825	\$ 97,098
Accrued Expenses	476,044	478,906
Miscellaneous Payable	4,154	7,658
Total Current Liabilities	<u>625,024</u>	<u>583,662</u>
Equity		
Members' Equity	859,391	504,319
Distributions	(1,921,640)	(2,824,900)
Net Income	1,708,388	3,179,972
Total Equity	<u>646,139</u>	<u>859,391</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 1,271,163</u></u>	<u><u>\$ 1,443,053</u></u>

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

BLUE TRADING, LLC
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
Ordinary Income/Expense		
Income		
Commission	\$9,833,854	\$9,370,587
Solicitation Fees	<u>82,745</u>	<u>351,847</u>
Total Income	<u>9,916,599</u>	<u>9,722,434</u>
Total Expenses	(8,214,544)	(6,544,527)
Net Ordinary Income	<u>1,702,055</u>	<u>3,177,907</u>
Other Income	0	2,065
Interest Income	6,333	0
Net Income	<u>\$1,708,388</u>	<u>\$3,179,972</u>

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

BLUE TRADING, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31,

Balance at January 1, 2008	\$ 504,319
Net Income	3,179,972
Additions	0
Distributions	(2,824,900)

Balance at December 31, 2008	\$ 859,391
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Balance at January 1, 2009	\$ 859,391
Net Income	1,708,388
Additions	0
Distributions	(1,921,640)

Balance at December 31, 2009	\$ 646,139
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The accompanying notes are an integral part of these financial statements.

BLUE TRADING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Net Income	\$1,708,388	\$ 3,179,972
Adjustments to reconcile Net Income To net cash provided by operations:		
Depreciation	27,573	7,388
Accrued Solicitation Income	182,307	(174,221)
Account Receivable	(55,470)	0
Clearing Deposits	(55,855)	(300,000)
Miscellaneous Payable	(3,504)	(69,094)
Accounts Payable	47,727	2,857
Accrued Expense	<u>(2,862)</u>	<u>245,927</u>
Net cash provided by Operating Activities	1,848,304	2,892,829
INVESTING ACTIVITIES		
Fixed Assets	0	(24,150)
Security Deposits	<u>0</u>	<u>(10,560)</u>
Net cash used in Investing Activities	0	(34,710)
FINANCING ACTIVITIES		
Distributions	<u>(1,921,640)</u>	<u>(2,824,900)</u>
Net cash used in Financing Activities	<u>(1,921,640)</u>	<u>(2,824,900)</u>
Net cash increase for period	<u>(73,336)</u>	<u>33,219</u>
Cash at beginning of period	<u>\$ 123,183</u>	<u>\$ 89,964</u>
Cash at end of period	<u><u>\$ 49,847</u></u>	<u><u>\$ 123,183</u></u>
<u>INFORMATION:</u>		
Cash paid during the year for interest	<u>\$ 0</u>	<u>\$ 0</u>
Cash paid during the year for taxes	<u><u>\$ 176,233</u></u>	<u><u>\$ 76,680</u></u>

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

BLUE TRADING, LLC
COMPUTATION OF NET CAPITAL UNDER
RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31,

	<u>2009</u>	<u>2008</u>
Net Capital		
Total owner's equity	\$ 646,139	\$ 859,391
Receivables not allowable for net capital as reported in Company's Part II (unaudited) FOCUS report	(55,470)	0
Other Assets not allowable for net capital as reported in Company's Part II (unaudited) FOCUS report	<u>(107,830)</u>	<u>(121,620)</u>
Net capital as adjusted	<u>\$ 482,839</u>	<u>\$ 737,771</u>
Aggregate indebtedness		
Items included in consolidated statement of financial condition:		
Miscellaneous Payable	4,154	0
Accounts Payable and Accrued Expenses	<u>620,869</u>	<u>576,004</u>
Total Aggregate indebtedness	<u>625,024</u>	<u>576,004</u>
Computation of basic net capital requirement		
Minimum net capital required (Note 4):	<u>41,668</u>	<u>38,400</u>
Excess net capital	<u>441,171</u>	<u>699,371</u>
Ratio: Aggregate indebtedness to net capital	<u>1.29 to 1</u>	<u>.78 to 1</u>
Reconciliation with company's computation (included in Part II of Form X-17A-5 as December 31, 2009 and 2008)		
Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 438,155	\$ 988,175
Audit adjustments to record:		
Depreciation Expense	0	(7,388)
Security deposit included in Focus Report	(21,171)	0
Interest Adjustment of Clearing deposits	5,855	0
Adjustment of Income Accrual	60,000	50,000
Accrual Commission Payable	<u>0</u>	<u>(171,396)</u>
Net capital per above	<u>\$ 482,839</u>	<u>\$ 859,391</u>

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

BLUE TRADING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. ORGANIZATION AND NATURE OF BUSINESS

BLUE TRADING, LLC (the Company), formerly known as "Blue Trading, Inc." is a broker-dealer registered in 31 states, including New York, New Jersey and Connecticut with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD) located at 70 East 55th Street, 22nd Floor, New York, New York. The Company is a New York Limited Liability Company and is engaged in a single line of business as a securities broker-dealer. Current revenue is comprised of trading sales and investment banking. The Company has a clearing agreement with Goldman Sachs Execution & Clearing, L.P. and Ridge Clearing and Outsourcing Solutions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On June 14, 2006 BLUE TRADING, LLC purchased 1,000 shares of Wright Brothers & Co., Inc., (also known as Blue Trading, Inc.) a Connecticut corporation registered as a broker-dealer with the Securities and Exchange Commission (SEC), and a member of the National Association of Securities Dealers, Inc. (NASD), and registered as broker-dealer with the states of New York and Connecticut.

On December 27, 2006, Blue Trading, Inc., a Connecticut corporation (formerly known as "Wright Brothers & Co., Inc."), agreed to merge with and into BLUE TRADING, LLC, and the separate existence of Blue Trading, Inc. ceased. The merger was consummated for the purpose of reorganizing Blue Trading Inc. in New York as a limited liability company. The merger was permitted by the laws of the jurisdictions of formation and incorporation of BLUE TRADING, LLC and Blue Trading, Inc., respectively. The financial statements include the accounts of the Company and Blue Trading, Inc.

- a. **Commission Income.** Commission income is received monthly, but recognized as securities transactions occur.
- b. **Commission Expenses.** Commission expenses are recorded as securities transactions occur.
- c. **Use of estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimated.
- d. **Statement of Cash Flows.** The Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

BLUE TRADING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

- e. **Income Taxes.** The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates.
- f. **Depreciation.** Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years.
- g. **Goodwill.** Under US GAAP and in accordance with the provisions of SFAS 142, goodwill is no longer amortized, but reviewed annually for the impairment.

3. OPERATING LEASE

On 2/1/10, the Company leased approximately 780 rentable square feet located on the fifteenth (15th) floor at 70 East 55th Street, 15th Floor, New York, NY 10022. The commencement date of the lease is February 2, 2010 and the expiration date of the lease is December 31, 2011. The rent is Forty Thousand Nine Hundred Fifty Dollars (\$40,950.00) per annum payable in equal monthly installments, on the first day of each month. The majority of the Blue Trading employees were temporarily relocated to 250 Park Avenue South, New York, NY 10010, which are the offices of Madison Trading, LLC.

4. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company and its subsidiary maintain minimum net capital, as defined, equal to the greater of minimum amount of \$5,000 or 6 2/3-percent of aggregate indebtedness. At December 31, 2009, the Company had excess net capital of \$482,839 which was \$441,171 in excess of the 6 2/3-percent of aggregate indebtedness. At December 31, 2008, the Company had net capital of \$737,771 which is \$699,371 in excess of the 6 2/3-percent of aggregate indebtedness.

INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL
REQUIRED BY SEC RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION

The Members of
BLUE TRADING, LLC

In planning and performing our audit of the financial statements of BLUE TRADING, LLC (the Company), for the years ended December 31, 2009 and 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as-required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17 a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives.

Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that

transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17 a -5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2009 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in cursive script, appearing to read "DiSiena CPAs, LLP".

DiSiena CPAs, LLP
New York, New York
March 8, 2010