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ANNUAL AUDITED REPORT
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PART III

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**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 01/01/15 AND ENDING 12/31/15
 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LIGHTSPEED TRADING, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1001 AVENUE OF THE AMERICAS, 16TH FLOOR
 (No. and Street)

NEW YORK NY 10018
 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
MARK JOHNSON (312) 827-3603
 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

EISNERAMPER LLP
 (Name - if individual, state last, first, middle name)

750 THIRD AVENUE NEW YORK NY 10017
 (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)

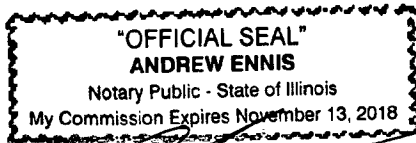
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SW

AKB

OATH OR AFFIRMATION

I, MARK JOHNSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LIGHTSPEED TRADING, LLC, as of DECEMBER 31, 20 15, 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:



[Handwritten Signature]

Notary Public

[Handwritten Signature]

Signature

CFO

Title

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).

LIGHTSPEED TRADING, LLC

STATEMENT OF FINANCIAL CONDITION
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2015

LIGHTSPEED TRADING, LLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Lightspeed Trading, LLC

We have audited the accompanying statement of financial condition of Lightspeed Trading, LLC (the "Company") as of December 31, 2015. This financial statement is the responsibility of the Company's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Lightspeed Trading, LLC as of December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

New York, New York
February 23, 2016

LIGHTSPEED TRADING, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2015

ASSETS

Cash	\$ 1,381,515
Cash segregated in compliance with federal regulations	175,000
Receivables from clearing brokers, including clearing deposits of \$1,572,243	26,911,804
Due from brokers and other receivables	304,217
Due from Parent	1,172,393
Property and equipment, net	61,732
Intangible assets, net	423,947
Goodwill	270,028
Prepaid expenses and other assets	<u>141,921</u>
	<u>\$ 30,842,557</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ 25,663,061
Due to affiliate	23,033
Note payable	<u>143,633</u>
Total liabilities	<u>25,829,727</u>
Member's Equity	<u>5,012,830</u>
	<u>\$ 30,842,557</u>

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

1. Nature of business and summary of significant accounting policies

Nature of Business and Organization

Lightspeed Trading, LLC (the "Company") is a wholly owned subsidiary of Professional Trading Solutions, Inc. ("Parent"). The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC"), the Commodity Futures Trading Commission ("CFTC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association ("NFA"). The Company acts as an introducing broker.

The Company operates under Rule 15c3-3 of the Securities Exchange Act of 1934, where the requirement is to compute net capital monthly and which requires the Company to maintain a ratio of aggregate debits to 5% of combined aggregate debit items or 120% of the minimum net capital requirement. The Company executes and clears its customer securities transactions on a fully disclosed basis with Wedbush Securities, Inc ("Wedbush"), Interactive Brokers ("IB"), Merrill Lynch Professional Clearing Corporation ("ML") and Apex Clearing Corporation ("Apex"). The Apex relationship was terminated in November 2014 and those customers were converted to Wedbush. The clearing broker-dealers carry all of the accounts of the customers and maintain and preserve all related books. Receivables from clearing brokers reflected in the statement of financial condition are amounts due from these brokers at December 31, 2015.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Cash Segregated in Compliance With Federal Regulations

Cash of \$175,000 is segregated in a special bank account at a major U.S. financial institution in accordance with SEC Rule 15c3-3(k)(2)(i), related to proceeds from soft dollar transactions and commission rebate activities.

Due from Brokers and Other Receivables

The Company carries the amounts due from brokers and other receivables at cost, less an allowance for doubtful accounts. The Company determines the allowance for doubtful accounts by regularly evaluating individual broker and other receivables based on the financial condition, the history of collections and current economic conditions. Due from brokers and other receivables are written off when deemed uncollectible. No allowance for doubtful accounts was deemed necessary at December 31, 2015.

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

1. Nature of business and summary of significant accounting policies (continued)

Revenue Recognition

The Company recognizes commission revenue on a trade-date basis and is comprised of commissions related to agency customer transactions in equities, options and futures.

The Company recognizes interest income on customer balances introduced to clearing broker-dealers by the Company. The clearing broker-dealers pay interest income to the Company and the interest income is recognized as earned.

Other income consists of software licensing fees and other fees charged to customers, and is recognized as earned.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is provided for utilizing the straight-line method over the estimated useful lives of the related assets as follows:

Asset	Estimated Useful Life
Furniture and fixtures	7 Years
Computer hardware	3 Years
Computer software	3 Years
Leasehold Improvements	Lease term

Goodwill

Goodwill represents the excess of the purchase price and direct acquisition costs over the fair value of the identifiable assets and liabilities acquired in a business combination. Goodwill is reviewed for possible impairment at least annually upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value. No goodwill impairment loss was recorded for the year ended December 31, 2015.

Intangible Assets

Intangible assets with determined useful lives primarily consist of non-compete agreements, customer relationships and technology. The cost of intangible assets with determinable lives is amortized over the estimated period of economic benefit on a straight-line basis over a period of 18 months to ten years. No residual value is estimated for these intangible assets. No impairment loss was recorded for the year ended December 31, 2015.

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

1. Nature of business and summary of significant accounting policies (continued)

Income Taxes

The Company is a single-member limited liability company, which is a disregarded entity for federal and state income tax purposes, and is not subject to taxes on its income. The Parent of the Company is a "C" Corporation. There is no tax-sharing agreement in place, and accordingly, the Company has not provided for federal or state income taxes for the year ended December 31, 2015.

The Parent follows an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for difference between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company's Parent's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Parent's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company's Parent reassesses these probabilities and records any changes in the consolidated financial statements as appropriate. Accrued interest and penalties related to income tax matters are classified as a component of income tax expense.

In accordance with GAAP, the Company's Parent is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that would reduce member's equity. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities. Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Company's Parent files its income tax returns in the U.S. federal and various state and local jurisdictions. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, state and local tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

2. Property and equipment

Property and equipment consist of the following at December 31, 2015:

Computer hardware	\$	1,109,442
Furniture and fixtures		116,143
Leasehold improvements		89,660
Computer software		30,277
		<u>1,345,522</u>
Less accumulated depreciation and amortization		<u>1,283,790</u>
	\$	<u>61,732</u>

Depreciation and amortization expense amounted to approximately \$43,000 for the year ended December 31, 2015.

3. Acquisition

On July 31, 2015, the Company entered into an agreement to acquire the customers of Livevol Securities, Inc. ("Livevol") in exchange for total consideration of \$680,000.

The Company accounted for the purchase using the acquisition method of accounting. The total purchase price was allocated to certain identifiable intangible assets acquired based on their estimated fair values as of July 31, 2015. Goodwill of approximately \$270,000 was recorded as a result of this acquisition and is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from intangible assets acquired that could not be individually identified and separately recognized. The Company's intangibles assets were valued using the assistance of an independent valuation firm. The following table summarizes the purchase price and the estimated fair values of the assets acquired in the transaction:

Customer relationships	\$	288,372
Goodwill		270,028
Software license agreement		120,000
Non-compete agreements		1,600
		<u>680,000</u>
Total purchase price	\$	<u>680,000</u>

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

4. Intangible assets

Intangible assets consist of the following at December 31, 2015:

Customer lists	\$	2,688,372
Technology		120,000
Non-compete agreements		1,600
		<u>2,809,972</u>
Less accumulated amortization		<u>2,386,025</u>
	\$	<u>423,947</u>

Amortization expense amounted to approximately \$100,000 for the year ended December 31, 2015.

Future amortization expense of intangible assets are as follows:

Year Ending December 31,		
2016	\$	125,122
2017		77,680
2018		31,306
2019		28,837
2020		28,837
Thereafter		<u>132,165</u>
	\$	<u>423,947</u>

5. Related party transactions

The Company has agreements with its Parent and PTS Financial Technology, LLC ("PFT"), an affiliated company. The Parent performs and provides certain functions for the Company, including treasury, payroll services, office facilities, accounting, marketing, regulatory reporting, human resources, legal and compliance. In accordance with terms of this agreement, the Company was charged \$6,141,000 for these services for the year ended December 31, 2015. The Company also receives technology development and technology support from PFT. In accordance with terms of this agreement, the Company was charged approximately \$4,800,000 for these services for the year ended December 31, 2015. The Parent and PFT charges for these services are included in management fees and data provider services and other fees, respectively, on the accompanying statement of operations.

Amounts due to the affiliate represent unpaid technology fees of approximately \$23,000 at December 31, 2015 and amounts due from Parent of approximately \$1,172,400 at December 31, 2015 are included on the accompanying statement of financial condition.

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

6. Notes payable

During February 2015, the Company entered into a promissory note (the "Note") with FINRA for \$187,500 in connection with a monetary fine of \$250,000. The Company was obligated to pay 25% of the fine upfront and will repay the remainder in monthly installments. The Note is payable in monthly principal and interest payments, and bears interest at a fixed rate of 6.25% per annum through March 2018.

Interest expense in connection with the note payable amounted to approximately \$18,000 for the year ended December 31, 2015.

7. Employee benefit plan

The Parent maintains a retirement plan (the "Plan"), pursuant to Section 401(k) of the Internal Revenue Code, for eligible participants to make voluntary contributions, subject to limitations provided by the Internal Revenue Code. Contributions to the Plan by the Parent are allocated to the Company and included in management fees on the accompanying statement of operations.

8. Net capital requirement

The Company, as a member of FINRA, is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. The Company has elected to use the alternative method permitted by the rule, which requires that the Company maintain minimum net capital equal to the greater of \$250,000 or 2% of the Rule 15c3-3 aggregate debit balances arising from customer transactions, as defined. The Company is also subject to the CFTC's minimum financial requirements which require that the Company maintain net capital, as defined, equal to the greater of its requirements under Regulation 1.17 under the Commodity Exchange Act or Rule 15c3-1. At December 31, 2015, the Company's net capital deficiency was approximately (\$678,000), which was approximately (\$928,000) deficient of its minimum net capital requirement of \$250,000.

The Company had a net capital deficiency at December 31, 2015 and was not in net capital compliance due to a position on its books as of December 31, 2015, which resulted in a haircut of approximately \$3,600,000. This haircut caused the net capital deficiency as of December 31, 2015, and the position was closed before the market opened on the first business day of 2016 (January 4, 2016). The Company was required to file a focus report dated January 4, 2016, at which point the Company had net capital of approximately \$3,206,000, which was approximately \$2,956,000 in excess of its minimum net capital requirement of \$250,000.

9. Exemption from Rule 15c3-3

The Company is exempt from the Securities and Exchange Commission Rule 15c3-3 pursuant to the exemptive provisions of subparagraph (k)(2)(i) and (k)(2)(ii).

10. Off-balance sheet risk and concentrations of credit risk

Pursuant to clearing agreements, the Company introduces all of its securities transactions to clearing brokers on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing brokers. In accordance with the clearing agreements, the Company has agreed to indemnify the clearing brokers for losses, if any, which the clearing brokers may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing brokers monitor collateral on customer accounts and the Company is required to maintain certain deposits with the clearing brokers.

LIGHTSPEED TRADING, LLC

NOTES TO FINANCIAL STATEMENTS

10. Off-balance sheet risk and concentrations of credit risk (continued)

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations.

The Company maintains cash in bank accounts which, at times, may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

11. Commitments and contingencies

The Company has entered into an agreement with Eze Castle Transaction Services, LLC to license certain products through January 31, 2017. The agreement requires minimum monthly payments that total an aggregate of \$610,000 and \$50,000 for the years ended December 31, 2016 and 2017, respectively.

The Company has entered into a fully disclosed clearing agreement with Wedbush Securities, Inc. The agreement requires minimum monthly charges that total an aggregate of \$1,200,000 and \$400,000 for the years ended December 31, 2016 and 2017, respectively.

In the normal course of business, the Company has been named as a defendant in various matters. Management of the Company, after consultation with legal counsel, believes that the resolution of these matters will not have a material adverse effect on the financial condition, results of operations or cash flows of the Company.