



16014841

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

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

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

SEC
Mail Processing
Section
SEC FILE NUMBER
8-69344

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

MAR 07 2016
Washington DC

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: Mocho Trading LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
141 W. Jackson Blvd., Suite 1120
(No. and Street)

Chicago Illinois 60604
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Ed Donnellan 312-281-5572

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Schultz and Chez, LLP

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

141 W. Jackson Blvd., Suite 2900 Chicago IL 60604
(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 241.17a-5(e)(2).

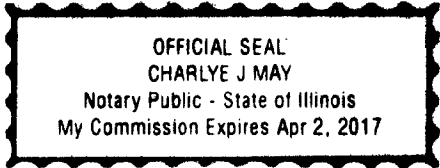
Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number

AUB

3

OATH OR AFFIRMATION

I, Edward Donnellan, affirm that, to the best of my knowledge and belief, the accompanying financial statement pertaining to the firm of Mochó Trading LLC, as of December 31, 2015 are true and correct. I further affirm that neither the Company nor any member, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer.



Signature: [Handwritten Signature]
Title: Managing Director

[Handwritten Signature]
Notary Public

This report contains (check all applicable boxes):

- [x] (a) Facing Page
[x] (b) Statement of Financial Condition
[] (c) Statement of Income
[] (d) Statement of Changes in Member's Equity
[] (e) Statement of Cash Flows
[] (f) Statement of Changes in Subordinated Borrowings
Supplemental Information:
[] (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 under Requirement 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 pursuant to Rule 15c3-3
[] (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
[x] (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) Independent Auditor's Report on Internal Control.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

MOCHO TRADING LLC

Table of Contents

	Page(s)
Report of Independent Registered Public Accounting Firm	1
Financial Statements	
Statement of Financial Condition	2
Notes to Statement of Financial Condition	3 - 7

SCHULTZ & CHEZ, L.L.P.

Certified Public Accountants

141 West Jackson Boulevard, Suite 2900
Chicago, Illinois 60604
Main: (312) 332-1912
Fax: (312) 332-3635

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
MOCHO TRADING, LLC
Chicago, Illinois

We have audited the accompanying statement of financial condition of MOCHO TRADING, LLC as of December 31, 2015, and the related notes. This financial statement is the responsibility of MOCHO TRADING, LLC'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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial position 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 MOCHO TRADING, LLC as of December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Schultz + Chez, LLP

Chicago, Illinois
February 22, 2016

MOCHO TRADING LLC
Statement of Financial Condition
December 31, 2015

ASSETS

Cash	\$ 466,529
Receivable from broker/dealers, net	2,116,037
Fixed assets (net of accumulated depreciation and amortization of \$443,471)	444,054
Memberships in exchanges, at cost (fair value: \$2,549,250)	2,485,828
Other assets	39,929
TOTAL ASSETS	<u>\$ 5,552,377</u>

LIABILITIES & MEMBERS' EQUITY

Accounts payable and accrued expenses	\$ 193,193
Advance member subscription	<u>250,000</u>
Total Liabilities	<u>443,193</u>
Members' Equity	5,109,184
TOTAL LIABILITIES & MEMBERS' EQUITY	<u>\$ 5,552,377</u>

See notes to financial statements

MOCHO TRADING LLC

Notes to Statement of Financial Condition

Year Ended December 31, 2015

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

Mocho Trading LLC (the "Company"), a Delaware Limited Liability Company, was formed on January 13, 2014. The Company is engaged exclusively in proprietary trading and is a registered broker-dealer with the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934. The Company maintains memberships and participations on various U.S. securities and futures exchanges.

A Summary of the Company's Significant Accounting Policies Follows:

Basis of Accounting

The Company's accounting policies are in conformity with accounting principles generally accepted in the United States of America (GAAP) as established by the Financial Accounting Standards Board (the FASB). The Company maintains its financial records in United States dollars.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the financial statements are reasonable. Actual results could differ from those estimates.

Revenue Recognition

The Company buys and sells securities and futures for its own account. The profit or loss is measured by the difference between the acquisition cost and the selling price or current market or fair value of open positions. Trading gains and losses, which are composed of both realized and unrealized gains and losses, are presented net. Securities and futures transactions and related commissions and clearing expenses are recorded on a trade date basis as securities and futures transactions occur.

Receivable from Broker/Dealers

Receivables from and payables to broker/dealers consist of cash accounts or amounts borrowed on margin.

Fixed Assets

Equipment, furniture and software are recorded at cost and are depreciated and amortized over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease. The costs of computer software developed or acquired for internal use incurred during the preliminary project stage are expensed as incurred. Costs incurred during the application development stage are capitalized. Costs incurred during the post-implementation or operation stage are expensed as incurred. Such costs will be amortized based on a straight-line basis over the estimated economic life of the product, which is two years.

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exchange Memberships

The Company's exchange memberships, which represent ownership interests in the exchanges and provide the Company with the right to conduct business on the exchanges, are recorded at cost. The Company has considered fair value and noted that fair value was higher than cost and thus there were no impairments at December 31, 2015.

Income Taxes

The Company is taxed as a partnership and generally does not pay federal and state income taxes on its taxable income. Instead the members are liable for federal and state income taxes on their proportionate share of the Company's taxable income. FASB provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements and requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax return to determine whether its tax positions are "more-likely-than-not" of being sustained when challenged or when examined by the applicable tax authority. The Company has not identified any uncertain tax positions as of December 31, 2015. The Company is subject to examination by federal and state tax authorities, however there are currently no audits in progress.

2. RECEIVABLE FROM BROKER/DEALERS

Receivable from and payable to clearing broker at December 31, 2015, consist of the following:

	Receivable	Payable
Cash	\$ 2,168,179	\$ -
Receivable from broker/dealers	133,928	
Payable to broker/dealers		(186,070)
	\$ 2,302,107	\$ (186,070)

The Company entered into a futures risk-based margin financing agreement with a bank affiliate of the Company's clearing broker in 2014, which uncommitted credit facilitates futures margin payments to the Company's clearing broker. The Company shall pay interest on the outstanding principal amount of each loan from the date of such loan until it is paid in full, at a rate equal to one point one percent (1.10%) per annum in excess of USD LIBOR (London Interbank Offered Rate). The amount of borrowings is limited to \$25,000,000. As of December 31, 2015, the credit facility has never been utilized.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e. "exit price") in an orderly transaction between market participants at the measurement date.

GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In determining fair value, the Company uses valuation approaches based on this hierarchy, categorizing them into three levels based on the inputs as follows:

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 1 – Valuations based on an unadjusted quoted price in active markets for identical assets and liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At December 31, 2015, the Company did not maintain any financial instruments. There were no Level 2 or Level 3 securities held or owned during the period. As such, no significant transfers of assets or liabilities between levels.

4. FIXED ASSETS

At December 31, 2015, the Company owned furniture, equipment, software and leasehold improvements as follows:

Internally developed software	\$ 379,250
Software licenses	89,861
Computer equipment	367,448
Furniture	30,502
Leasehold improvements	20,464
Less: accumulated depreciation and amortization	(443,471)
	\$ 444,054

5. RELATED PARTY TRANSACTIONS

The Company has entered into an expense sharing arrangement with a related party whereby support services that include compensation, occupancy and telecommunication and certain other operating expenses are paid the Company and the related party reimburses the Company for these expenses. At December 31, 2015, there was no receivable for expenses.

6. MEMBERS' EQUITY

The Company's Operating Agreement provides for two classes of interests, Class A Units (Members) and Class B Units, as defined. The owners of the Class A Units control all voting rights and are responsible for appointing members to the management committee. Class B Units have no voting rights in the Company, but allow for profit participation and receipt of Class A Units. At December 31, 2015, 14,200,000 and 5,627,500 Class A Units and Class B Units, respectively, were issued. Class B Units were issued to employees and members and fully vest on the first day of the second full quarter following the date of issuance. At December 31, 2015, 5,377,500 Class B units were fully vested and 250,000 will vest in 2016. All Class B Units were determined to have no fair value as of the grant date and no expense was recognized.

7. OFF-BALANCE SHEET RISKS AND CONCENTRATION OF CREDIT RISK

Concentrations of Credit Risk

The Company clears its trades through one clearing broker. In the event this counterparty does not fulfill its obligations, the Company may be exposed to risk since all positions are held with this clearing broker. The Company attempts to minimize this risk by monitoring the creditworthiness of this clearing broker.

Cash Concentration

The Company also maintains its cash balances at two banks. Accounts held at the banks are insured by the Federal Deposit Insurance Corporation, up to \$250,000, per depositor, per institution. Management believes that the Company is not exposed to any significant credit risk on these cash balances.

8. COMMITMENTS, CONTINGENCIES AND INDEMNIFICATIONS

The Company leases office space under a non-cancelable operating sub lease agreement that expires September 30, 2016. At December 31, 2015, the future minimum annual sub lease obligations were as follows:

2016	\$48,481
------	----------

In the normal course of its business, the Company indemnifies certain service providers, such as clearing brokers, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and had not recorded any contingent liability in the financial statements for these indemnifications.

Additionally, the Company enters into contracts that contain a variety of representations and warranties. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of any futures obligations under these representations and warranties to be remote.

9. NET CAPITAL REQUIREMENTS

The Company, as a registered broker-dealer with the SEC, is subject to the net capital requirements of Rule 15c3-1 of the Securities and Exchange Act of 1934. The Company computes its net capital requirement under the alternative net capital method and is required to maintain net capital equal to the greater of 2% of its aggregate debit balances arising from customer transactions, as defined, or \$250,000. At December 31, 2015, the Company had net capital of \$2,118,598 which was \$1,868,598 in excess of its required net capital of \$250,000.

10. EMPLOYEE BENEFIT PLAN

The Company has a defined contribution plan covering all eligible employees as defined under section 401(k) of the Internal Revenue Code.

11. SUBSEQUENT EVENTS

During the period from January 1, 2016 through February 22, 2016, members made capital contributions of \$250,000 and withdrawals totaling \$105,000.

The Company has evaluated all known subsequent events through the date the accompanying financial statements were issued.

SEC
Mail Processing
Section
MAR 07 2016
Washington DC
404

MOCHO TRADING LLC

Financial Report

December 31, 2015

This report is deemed PUBLIC in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934.