

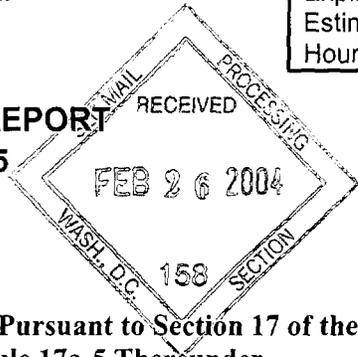


UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
20549

Vf 3-4-04AA

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



SEC FILE NUMBER  
8 - 65552

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 AUGUST 1, 2002 AND ENDING DECEMBER 31, 2003  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

VELOCITY TRADING (F/K/A INTERNATIONAL MADISON INVESTMENTS, LLC)

OFFICIAL USE ONLY  
FIRM ID. NO.

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

4190 BEDFORD AVENUE, SUITE 3G

(No. And Street)

BROOKLYN,  
(City)

NY  
(State)

11229  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

YURI GRABOVSKY

(718) 648-4647

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

60 EAST 42<sup>ND</sup> STREET

NEW YORK

NY

10165

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 19 2004

THOMSON FINANCIAL

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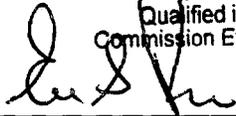
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, YURI GRABOVSKY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VELOCITY TRADING (F/K/A INTERNATIONAL MADISON INVESTMENTS, LLC), as of DECEMBER 31, 2003, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ERIC S. PRICE  
NOTARY PUBLIC FOR  
COMMERCE BANK, N.A.  
Notary Public, State of New York  
No. 24-8439375  
Qualified in Kings County  
Commission Expires Oct. 31, 2006



Notary Public

**JAN 21 2004**

Y. Grabovsky  
Signature  
EVP, FINOP  
Title

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 or 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 sin the date of previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

VELOCITY TRADING, LLC  
(F/K/A INTERNATIONAL  
MADISON INVESTMENTS, LLC)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2003

# FULVIO & ASSOCIATES, L.L.P.

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLO, CPA

*Certified Public Accountants*

60 East 42nd Street  
New York, New York 10165  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

## INDEPENDENT AUDITORS' REPORT

To the Member of  
Velocity Trading, LLC (F/K/A International Madison Investments, LLC):

We have audited the accompanying statement of financial condition of Velocity Trading, LLC (F/K/A International Madison Investments, LLC) as of December 31, 2003. 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 auditing standards generally accepted in the United States of America. 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 statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the 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 Velocity Trading, LLC (F/K/A International Madison Investments, LLC) as of December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

*Fulvio & Associates LLP*

New York, New York  
February 5, 2004

VELOCITY TRADING, LLC  
(F/K/A INTERNATIONAL MADISON INVESTMENTS, LLC)  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2003

ASSETS

Cash	\$ 7,024
Contributions receivable	<u>18,000</u>
 TOTAL ASSETS	 <u>\$ 25,024</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:

Accounts Payable	\$ <u>350</u>
 Total Liabilities	 350

Member's Equity:

Member's Equity	<u>24,674</u>
 Total Member's Equity	 <u>24,674</u>

  TOTAL LIABILITIES AND MEMBER'S EQUITY	  <u>\$ 25,024</u>
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The accompanying notes are an integral part of these financial statements.

VELOCITY TRADING, LLC  
(F/K/A INTERNATIONAL MADISON INVESTMENTS, LLC)  
NOTES TO FINANCIAL STATEMENT  
FOR THE PERIOD AUGUST 7, 2002 (INCEPTION)  
THROUGH DECEMBER 31, 2003

NOTE 1. ORGANIZATION AND OPERATIONS

Velocity Trading, LLC (F/K/A International Madison Investments LLC) (the "Company") is a New York Limited Liability Company formed on August 7, 2002. The Company changed its name from International Madison Investment, LLC to Velocity Trading, LLC in December 2003. The Company is a securities broker-dealer, registered with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Security Dealers, Inc. ("NASD").

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require the use of estimates by the managing member.

No provision for federal and state income taxes has been made since the Company is not a taxable entity. The member is individually liable for the taxes on the Company's income or loss.

NOTE 2. RELATED PARTY TRANSACTION

The Company shares office space with a member that, for 2003, has elected to waive the rent and certain other overhead expenses that would otherwise be charged to the Company for use of office space. The member has adequate resources independent of the Company to pay these expenses, and the Company has no additional obligation, either direct or indirect, to compensate a third party for these expenses.

NOTE 3. NET CAPITAL REQUIREMENT

The company is a registered broker-dealer subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1. This rule requires that the Company maintain a minimum net capital of \$5,000. As of December 31, 2003 the Company had net capital of \$6,674, which exceeded the requirements by \$1,674.

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

VELOCITY TRADING, LLC  
(F/K/A INTERNATIONAL MADISON INVESTMENTS, LLC)  
NOTES TO FINANCIAL STATEMENT  
FOR THE PERIOD AUGUST 7, 2002 (INCEPTION)  
THROUGH DECEMBER 31, 2003  
(continued)

NOTE 4. SIGNIFICANT GROUP CONCENTRATION OF RISK

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the customers and/or other counterparties with which it conducts business.

As of December 31, 2003, there were no customer accounts having debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.