

* AH
2/17/2004

cm

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
Estimated average burden
hours per response . . . 12.00

SEC FILE NUMBER
8-53493



04002185

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

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, 2003 AND ENDING December 31, 2003
MM/DD/YY MM/DD/YY

SEC MAIL RECEIVED
FEB 12
FEB 12 2004
WASH DC

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FN: East Hill Trading, LLC
NN: Five Mile Capital Securities LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

(No. and Street)

Stamford

Connecticut

06902

(City)

(State)

(Zip Code)

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

Dawn Anckner

203-905-0989

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Halpern & Associates

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

143 Weston Road

Weston

CT

06883

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

FEB 20 2004

FOR OFFICIAL USE ONLY THOMSON FINANCIAL

8822

*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).

OATH OR AFFIRMATION

I, Dawn Anckner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Five Mile Capital Securities, 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:

Dawn Anckner
Signature
Controller
Title

Wanda E. Ginaldi
WANDA E. GINALDI
NOTARY PUBLIC
MY COMMISSION EXPIRES NOV. 30, 2004

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 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 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).

FIVE MILE CAPITAL SECURITIES LLC
f.k.a. EAST HILL TRADING LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2003



Halpern & Associates, LLC

Certified Public Accountants and Consultants

143 Weston Road • Weston, CT 06883 • (203)227-0313 • FAX (203)226-6909 • Info@Halpernassoc.com

INDEPENDENT AUDITORS' REPORT

To the Member of
Five Mile Capital Securities LLC

We have audited the accompanying statement of financial condition of Five Mile Capital Securities LLC, (f.k.a. East Hill Trading 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 this 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Five Mile Capital Securities LLC, (f.k.a. East Hill Trading LLC) as of December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Halpern & Associates, LLC

Weston, Connecticut
January 23, 2004

FIVE MILE CAPITAL SECURITIES LLC
(F.K.A. EAST HILL TRADING LLC)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2003

ASSETS

| | | |
|------------------------|----|-----------------------|
| Cash | \$ | 60,962 |
| Receivable from broker | | 20,000 |
| Goodwill | | <u>30,000</u> |
| TOTAL ASSETS | \$ | <u><u>110,962</u></u> |

LIABILITIES AND MEMBER'S CAPITAL

| | | |
|--|----|-----------------------|
| LIABILITIES | | |
| Accrued expenses and other liabilities | \$ | 6,000 |
| MEMBER'S CAPITAL | | <u>104,962</u> |
| TOTAL LIABILITIES AND MEMBER'S CAPITAL | \$ | <u><u>110,962</u></u> |

The accompanying notes are an integral part of this statement.

FIVE MILE CAPITAL SECURITIES LLC
(f.k.a. EAST HILL TRADING LLC)

NOTES TO STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2003

1. NOTES ON SIGNIFICANT BUSINESS ACTIVITIES

Five Mile Capital Securities LLC, (f.k.a. East Hill Trading LLC) (the "Company") was organized in the State of Delaware on February 23, 2001 and became registered as a broker-dealer in securities with the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. in March 2002. As of September 25, 2003, the Company became a wholly-owned subsidiary of Five Mile Capital Partners LLC.

The Company introduces its customer transactions to Computer Clearing Services, Inc., the firm's clearing broker, with whom it has a correspondent relationship for clearance in accordance with the terms of a clearance agreement. In connection therewith, the Company has agreed to indemnify its clearing broker for losses that the clearing broker may sustain related to the Company's customers. At December 31, 2003, the receivable from clearing broker reflected on the statement of financial condition included \$20,000 due from this clearing broker for the clearing deposit.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company records securities transactions and related revenues and expenses on a trade date basis.

Security transactions and financing with the clearing broker are classified as operating activities on the statement of cash flows since this is the Company's principal business.

The Company maintains its books and records on an accrual basis, in accordance with accounting principles generally accepted in the United States of America.

3. GOODWILL

On September 25, 2003, the Company acquired East Hill Trading LLC from Univer Technologies, Inc. The total cost of the acquisition was \$30,000, which was allocated 100% to Goodwill. Legal costs of \$15,453 relating to the purchase were charged to operations. Accounting principles generally accepted in the United States of America require the Company to annually test goodwill and whenever events or circumstances occur indicating that goodwill might be impaired. The financial statements do not include any charge for impairment for the year ended December 31, 2003.

FIVE MILE CAPITAL SECURITIES LLC
(f.k.a. EAST HILL TRADING LLC)

NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

YEAR ENDED DECEMBER 31, 2003

4. INCOME TAXES

The Company is recognized as a sole member Limited Liability Company (an "LLC") by the Internal Revenue Service. As a sole member LLC, the Company is not subject to income taxes. The Company's income or loss is reportable by its member on its tax return.

5. RULE 15C3-3

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(A) in that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received, does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

6. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Net Capital Rule 15c3-1, which requires the maintenance of minimum 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, 2003, the Company had net capital of \$74,962, which exceeded the minimum requirement of \$5,000 by \$69,962. The Company's ratio of aggregate indebtedness to net capital ratio was .08 to 1.