

Ad
8-31-2004

VF 8-26-04

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
04016637

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

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

SEC FILE NUMBER
8 - 51966

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

SEC MAIL RECEIVED
AUG 23 2004
JUNE 30, 2004
MM/DD/YY

REPORT FOR THE PERIOD BEGINNING JULY 1, 2003 AND ENDING JUNE 30, 2004
MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

VISION BROKERAGE SERVICES, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

ONE WHITEHALL STREET, SUITE 1500

(No. And Street)

NEW YORK,
(City)

NY
(State)

10004
(Zip Code)

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

HOWARD ROTHMAN

(212) 859-0300
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report *

FULVIO & ASSOCIATES, LLP

ATTN: CHRISTIAN TIRIOLO, CPA
(Name - if individual state last, first, middle name)

60 EAST 42ND STREET
(Address)

NEW YORK
(City)

NY
(State)

10165
(Zip Code)

CHECK ONE:

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

PROCESSED

SEP 01 2004

THOMSON
FINANCIAL

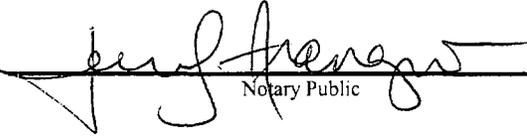
FOR OFFICIAL USE ONLY

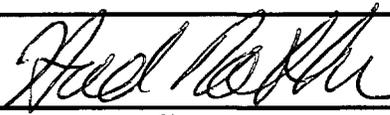
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, HOWARD ROTHMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VISION BROKERAGE SERVICES, LLC, as of JUNE 30, 2004, 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:

JENNIFER ARANGIO
Notary Public, State of New York
No. 02AR5083793
Qualified in New York County
Commission Expires Aug. 25, 2005


Notary Public


Signature
MANAGING MEMBER
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).

VISION BROKERAGE SERVICES, L.L.C.
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 2004

INDEPENDENT AUDITOR'S REPORT

To the Members of
Vision Brokerage Services, L.L.C.:

We have audited the accompanying statement of financial condition of Vision Brokerage Services, L.L.C. (the "Company") as of June 30, 2004. 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 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 financial statement referred to above presents fairly, in all material respects, the financial position of Vision Brokerage Services, L.L.C. as of June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

Fulvio & Associates, L.L.P.

New York, New York
July 28, 2004

VISION BROKERAGE SERVICES, L.L.C.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2004

ASSETS

Cash and cash equivalents	\$ 968,843
Due from brokers	179,086
Accounts Receivable	16,924
Loans Receivable	18,333
Prepaid expenses	<u>9,842</u>
 TOTAL ASSETS	 <u>\$ 1,193,028</u>

LIABILITIES AND MEMBERS' CAPITAL

Accounts payable and accrued liabilities	\$ 51,936
Commission payable	65,203
Other liabilities	<u>31,561</u>
 TOTAL LIABILITIES	 <u>148,700</u>
Members' Capital	
Class A	529,264
Class B	<u>515,064</u>
 Total Members' Capital	 <u>1,044,328</u>
 TOTAL LIABILITIES AND MEMBERS' CAPITAL	 <u>\$ 1,193,028</u>

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

VISION BROKERAGE SERVICES, L.L.C.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Vision Brokerage Services L.L.C. (the "Company") was organized in the State of New York on July 15, 1999. The Company is registered as a broker-dealer with the Securities and Exchange Commission (the "SEC") and is a member of the National Association of Securities Dealers, Inc. (the "NASD"), the Municipal Securities Rulemaking Board (the "MSRB") and the Securities Investor Protection Corporation ("SIPC"). Also, the Company is registered to conduct securities business in all fifty states and Puerto Rico. The Company does not hold funds or securities for, or owe funds or securities to, customers. Any funds or securities received by the Company are promptly transmitted to the clearing broker.

The Company executes all of its customer trades through a New York Stock Exchange member firm as an introducing broker that earns commissions on its introduced customers.

For purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments with original maturities of less than three months that are not held for sale in the ordinary course of business. The Company maintains its cash and cash equivalents at highly accredited financial institutions with balances that, at times, may exceed federally insured limits.

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities and the related revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

The Company records securities transactions and commission revenue and related expenses on a settlement-date basis.

No provision for federal and state income taxes has been made since the Company is not a taxable entity. The members are individually liable for the taxes on their share of the Company's income or loss. The Company is, however, subject to the New York City Unincorporated Business Tax on its business income.

VISION BROKERAGE SERVICES, L.L.C.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(continued)

NOTE 2 – DUE FROM BROKERS

For the year ended June 30, 2004, the Company cleared its introduced customers' transactions through Fiserv Securities, Inc. and Penson Financial Services, Inc., their clearing brokers, pursuant to clearance agreements. The amount shown on the statement of financial condition that is due from the brokers consists of the following at June 30, 2004:

Net commissions receivable	\$ 79,034
Good faith deposits	<u>100,052</u>
Total	<u>\$ 179,086</u>

The Company has agreed to indemnify its clearing brokers for losses the clearing brokers may sustain as a result of the failure of the Company's introduced customers to satisfy their obligations in connection with their delivery versus payment for securities transactions.

As of June 30, 2004, there were no customer accounts with deficiencies that presented any significant risks.

NOTE 3 – NET CAPITAL REQUIREMENT

As a registered broker-dealer and member of the NASD, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the SEC, which requires the maintenance of minimum net capital, as defined. At June 30, 2004, the Company had net capital of \$ 983,703, which was \$ 883,703 in excess of its requirement.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company has rent and certain other costs paid by an affiliated company for which no reimbursement is made. The Company and its affiliated company believe that reimbursement is not required or necessary due to the disproportionate size of the affiliate to the Company. The Company also has certain expenses for administrative staff paid by this affiliated company for which a \$500 monthly reimbursement is made. As of January 1, 2004, there were also \$500 monthly reimbursements paid to an affiliated company for office expenses. At June 30, 2004, the amount due to the affiliated company was \$31,561 and is reflected in the accompanying financial statements.

VISION BROKERAGE SERVICES, L.L.C.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(continued)

NOTE 5 – 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 June 30, 2004, there were no customer accounts having debit balances which presented any significant risks nor was there any significant exposure with any other transaction conducted with any other broker.