

AMENDMENT



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NGE COMMISSION
C. 20549

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

CM
3-14

SEC FILE NUMBER
8-33180

**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 July 1, 2003 AND ENDING June 30, 2004
MM/DD/YY SECURITIES AND EXCHANGE COMMISSION RECEIVED

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Archipelago Trading Services, Inc. SECURITIES AND EXCHANGE COMMISSION OFFICIAL USE ONLY RECEIVED

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 100 South Wacker Drive, Suite 1800
FEB 16 2005

Chicago IL. 60606
(City) (State) (Zip Code) DIVISION OF MARKET REGULATION

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Mark Salvato (312) 442-7009
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Ernst & Young LLP

5 Times Square New York NY 10036
(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 18 2005
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 the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, Mark Salvato, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and **supporting** schedules pertaining to the firm of Archipelago Trading Services, Inc. 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:

Therese Faye Wallace
Notary Public

Mark Salvato
Signature
Financial and Operational Principal
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 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 or 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).

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Archipelago Trading Services, Inc.

Reconciliation of Net Capital Computation

June 30, 2004

Net Capital per unaudited June 30, 2004	
FOCUS Part IIA Filing	2,245,919
Audit Adjustments to reclass receivable balance to payable to affiliates	(4,977)
Audit Adjustments to SEC fee expense	(12,266)
Audit Adjustments to communication expense	(17,916)
Audit Adjustments to employee compensation expense	(205,011)
Audit Adjustments for income tax expense	(360,132)
Audit Adjustments - Miscellaneous	<u>216</u>
	<u>1,645,833</u>