



SE

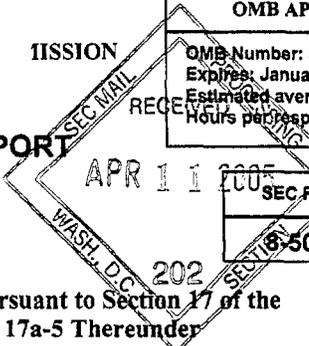
05040163

MISSION

UF 4-28-05 RA

OMB APPROVAL	
OMB Number: 3235-0123	
Expires: January 31, 2007	
Estimated average burden	
Hours per response...12.00	

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



SEC FILE NUMBER
6-50308

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, 2004 AND ENDING December 31, 2004  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**Boomer Trading, LLC**

OFFICIAL USE ONLY
FIRM ID NO.

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

**2257 Larkspur Landing Circle, Suite H**

<b>Larkspur</b>	(No. and Street) <b>CA</b>	<b>94939</b>
(City)	(State)	(Zip Code)

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

**Chris Antonio**

**415-925-9022**

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

**Harb, Levy & Weiland LLP**

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

<b>The Landmark @ One Market, 6<sup>th</sup> Floor</b>	<b>San Francisco</b>	<b>CA</b>	<b>94105</b>
(Address)	(City)	(State)	

CHECK ONE:

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

**PROCESSED**  
 MAY 06 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).

SEC 1410 (06-02) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless this form displays a currently valid OMB control number.

Handwritten signature/initials

kg





BOOMER TRADING, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2004



Independent Auditors' Report

To the Members  
Boomer Trading, LLC

We have audited the accompanying statement of financial condition of Boomer Trading, LLC as of December 31, 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 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 condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition 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 Boomer Trading, LLC as of December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

*Harb, Levy + Weiland LLP*

San Francisco, California  
March 11, 2005

*Member of NEXIA International, A Worldwide Association of Independent Accounting Firms*

The Landmark @ One Market, Sixth Floor, San Francisco, CA 94105 Tel: 415 974 6000 Fax: 415 974 5488  
e-mail: [hlw@hlwcpa.com](mailto:hlw@hlwcpa.com) [www.hlwcpa.com](http://www.hlwcpa.com)

Boomer Trading, LLC  
Statement of Financial Condition  
December 31, 2004

Assets

Cash	\$ 1,334
Receivable from broker-dealer	1,303,060
Securities owned, at fair value	
Long stocks	172,700
Long options	14,660
Investment in broker-dealer	<u>10,000</u>
 Total assets	 <u>\$ 1,501,754</u>

Liabilities and Members' Equity

Payable to broker-dealer	\$ 18,473
Securities sold, not yet purchased, at fair value	
Short stocks	101,450
Short options	<u>550</u>
 Total liabilities	 120,473
 Members' equity	 <u>1,381,281</u>
 Total liabilities and members' equity	 <u>\$ 1,501,754</u>

See Accompanying Notes to Statement of Financial Condition

Boomer Trading, LLC  
Notes to Statement of Financial Condition  
December 31, 2004

1. Business and Summary of Significant Accounting Policies

Business

Boomer Trading, LLC (the "Company") is a California limited liability company formed on January 2, 2002. The Company is a broker-dealer registered with the Securities and Exchange Commission and engages primarily in the proprietary trading of exchange-traded equity securities, equity options and futures contracts.

Cash

Cash consists of cash on deposit with a commercial banking organization which is federally insured. At times, the balance of cash on deposit may exceed federally insured limits. The Company has not experienced any losses thereon. The Company believes it is not exposed to any significant credit risk on cash balances.

Fair Value of Financial Instruments

Securities owned, securities sold, not yet purchased, and other financial instruments used for trading purposes are recorded in the statement of financial condition at market value, with related unrealized profit or loss included in principal transactions in the statement of operations. All financial instruments are stated at a value which approximates fair value.

Income Taxes

No provision for federal or state income taxes has been made since the Company's income is allocated to the individual members for inclusion in their income tax returns.

Boomer Trading, LLC  
Notes to Statement of Financial Condition  
December 31, 2004

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Financial Instruments with Off-Balance Sheet Risk and Concentration of Credit Risk

In the normal course of business, the Company enters into transactions in derivative financial instruments and other financial instruments with off-balance sheet risk, including exchange-traded options and short stocks.

Equity options contracts grant the purchaser, for the payment of a premium, the right to either purchase from or sell to the writer a specified instrument under agreed terms. As a writer of options and options on futures contracts, the Company receives a premium in exchange for bearing the risk of unfavorable changes in the price of the securities or money market instruments underlying the options.

Securities sold, not yet purchased represent obligations of the Company to deliver specified securities and thereby create a liability to repurchase the securities in the market at prevailing prices. These transactions may result in off balance sheet risk as the Company's ultimate obligations to satisfy its obligations for securities sold, not yet purchased may exceed the amount recognized in the statement of financial condition.

All financial instruments with off-balance sheet risk and other derivative financial instruments are held for trading purposes.

Risk arises from the potential inability of counterparties or exchanges to perform under the terms of the contracts (credit risk) and from changes in the values of securities, interest rates, currency exchange rates or equity index values (market risk).

Boomer Trading, LLC  
Notes to Financial Statements  
December 31, 2004

3. Clearing Agreement

The Company has a Joint Back Office ("JBO") clearing agreement with Goldman Sachs Execution & Clearing, L.P. (GSEC). The agreement allows JBO participants to receive favorable margin treatment as compared to the full customer margin requirements of Regulation T. As part of this agreement, the Company was required to invest \$10,000 in GSEC. The company's investment is reflected as investment in broker dealer in the statement of financial condition. Under the rules of the Chicago Board Options Exchange, the agreement requires that the Company maintain a minimum net liquidating equity of \$1 million with GSEC, exclusive of its investment in the clearing organization.

At December 31, 2004, the Company's actual net liquidating equity maintained with GSEC totaled \$1.3 million.

4. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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, 2004, the Company had net capital of \$1,228,269, which was \$1,128,269 in excess of its required net capital of \$100,000.