

SECURITIES

COMMISSION

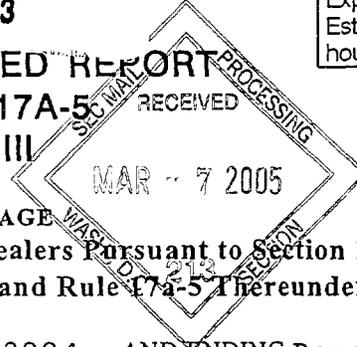


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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**



SEC FILE NUMBER
8- 65905

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: Mid-Market Securities, LLC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

501 Fifth Avenue, Suite 609 24 James Road

(No. and Street)

New York, Mount Kisco

(City)

NY

(State)

10017 10549

(Zip Code)

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

Robert W. Wien

212-400-4048

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kaplan, Paul M.

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

570 W Mt. Pleasant Avenue

(Address)

Livingston

(City)

NJ

(State)

07039

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 31 2005

THOMSON FINANCIAL

3

FOR OFFICIAL USE ONLY

Empty box 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)

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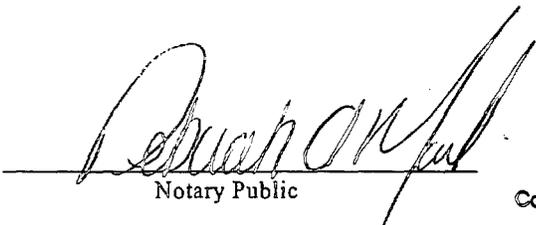
3/29/05 S.S

OATH OR AFFIRMATION

I, Robert W. Wien, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mid-Market Securities, LLC, as of December 31, 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:


Signature

President and CEO
Title


Notary Public

DEBORAH A. MARTIN
Notary Public, State of New York
No. 01MA5078239
Qualified in Dutchess County
Commission Expires May 19, 2007

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 Proprietors' 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 15c3-3 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.
- (o) Independent auditor's report on internal accounting control.

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

MID-MARKET SECURITIES, LLC

ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

SEC FILE NO. 8-65905

YEAR ENDED DECEMBER 31, 2004

MID MARKET SECURITIES, LLC

DECEMBER 31, 2004

FINANCIAL STATEMENTS

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PAUL KAPLAN, MBA
CERTIFIED PUBLIC ACCOUNTANT

To the Member
Mid-Market Securities, LLC
New York, NY

I have audited the accompanying statement of financial condition of Mid-Market Securities, LLC as of December 31, 2004 , and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid-Market Securities, LLC as of December 31, 2004 and the results of operations, cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I is presented for purposes of additional analysis and is not required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountant
January 28, 2005

73-992-8989
AX 973-716-0832
00-799-4785
ifo@kapgroup.com

70 WEST MT. PLEASANT AVE.
IVINGSTON, NJ 07039-1688

MID-MARKET SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2004

ASSETS

Cash	\$ 14,200
Other assets	<u>330</u>
	<u>\$ 14,530</u>

Commitments and Contingent Liabilities

MEMBER'S EQUITY

MEMBER'S EQUITY	<u>\$ 14,530</u>
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See notes to financial statements.

**MID-MARKET SECURITIES, LLC
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2004**

REVENUES	
Consulting Income	\$ 135,796
Interest income	<u>78</u>
	<u>135,874</u>
 EXPENSES	
Compensation	131,161
Regulatory fees	7,088
Other operating expenses	<u>3,744</u>
	<u>141,993</u>
 NET LOSS	 <u><u>\$ (6,119)</u></u>

See notes to financial statements

MID-MARKET SECURITIES, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2004

BALANCE, January 1, 2004	\$ 7,597
Member's contributions	13,052
Net loss	<u>(6,119)</u>
BALANCE, December 31, 2004	<u>\$ 14,530</u>

See notes to financial statements.

**MID-MARKET SECURITIES, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004**

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (6,119)
Adjustments to reconcile net loss to net cash used in by operating activities	<u>-0-</u>
Net cash used in operating activities	<u>(6,119)</u>
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:	
Member contributions	<u>13,052</u>
Net cash provided by financing activities	<u>13,052</u>
NET INCREASE IN CASH	6,933
CASH- beginning of the year	<u>7,267</u>
CASH- end of the year	<u>\$ 14,200</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:	
Cash paid during the year for Interest	<u>\$ -0-</u>

See notes to financial statements.

MID MARKET SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS:

MID-MARKET SECURITIES, LLC., organized in 2003 is a broker dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. The Company operates an office in New York. The Company has an infinite life.

Mount Kisco

Operating in the securities industry subjects the Company to economic and political trends and conditions.

ESTIMATES

The preparations of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INCOME TAXES

The Company is organized as a limited liability company ("LLC") whereby the member accounts for the Company's earnings, losses, deductions and credits on their individual income tax returns. Accordingly, these statements do not include any provision of Federal and state income taxes.

MEMBER EQUITY

In accordance with the Operating Agreement, the member has made an initial capital contribution to the Company in cash. Additional capital contributions shall be required only with the written consent of the member. No interest shall be due from the Company on any capital contribution of its member. Net income and net losses in respect to each fiscal year of the Company shall be allocated to the member, on the last day of such fiscal year. The member shall have no liability or obligation for any debts, liabilities or obligations of the Company beyond the member's capital contribution or obligation to make a capital contribution, except as expressly required by applicable law.

NOTE 2: OTHER ASSET

Other asset consist of the following:

Prepaid expenses	\$ <u>330</u>
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MID-MARKET SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 3: COMMITMENTS AND CONTINGENCIES

The Company has no operating leases for vehicles, equipment or office facilities.

NOTE 4: REGULATORY REQUIREMENTS

As a registered broker-dealer, the company is subject to the net capital provisions of rule 15c3-1 (a)(2)(vi) of the Securities Exchange Act of 1934, which requires that the Company maintain a minimum net capital requirement of \$5,000 as defined, under such provision. At December 31, 2004 the Company had net capital of \$14,200 which exceeded the requirements by \$9,200.

SUPPLEMENTARY INFORMATION

Pursuant to Rule 17a-5 of the Securities Exchange Act of 1934

As of December 31, 2004

SCHEDULE 1
MID-MARKET SECURITIES, LLC

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF
THE SECURITIES AND EXCHANGE COMMISSION AS OF DECEMBER 31, 2004

COMPUTATION OF NET CAPITAL

Total members' equity \$ 14,530

Total capital 14,530

Deductions and/or charges

Non-allowable assets 330

Net capital before haircuts on securities positions

Haircuts on securities positions -0-

NET CAPITAL \$ 14,200

COMPUTATION OF AGGREGATE INDEBTNESS

Accounts payable, accrued expenses and other
Liabilities includable in aggregate indebtedness \$ -0-

AGGREGATE INDEBTNESS \$ -0-

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (greater of 62/3% of aggregate
Indebtedness or minimum net capital requirement) \$ 5,000

EXCESS NET CAPITAL \$ 9,200

EXCESS NET CAPITAL AT 1,000 PERCENT \$ 14,200

RATIO: AGGREGATE INDEBTNESS TO NET CAPITAL \$ 0 to 1

Reconciliation with Company's computation (included in Part II
of Form X-17A-5 as of December 31, 2004)

Net capital, as reported in Company's Part II
(Unaudited) Focus report \$ 14,219

Decreases resulting from December 31, 2004
audit adjustments \$ (19)

Net capital, as included in this report \$ 14,200



PAUL KAPLAN, MBA
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION**

To the Member
Mount Kisco, N.Y.

In the planning and performing my audit of the financial statements of Mid Market Securities, LLC for the year ended December 31, 2004, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required Rule 17a-5 (g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives stated in rule 17a-5 (g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3 (a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5 (g) list objectives of the practices and procedures listed in the preceding paragraph.

Mid-Market Securities, LLC
Mount Kisco, NY
Page 2

Because of the inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subjected to the risk that they may become inadequate because of changes in conditions of that the effectiveness of their design and operation may deteriorate.

My consideration of internal control would not necessarily disclose all matters in internal control that Might be material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the internal control activities for safeguarding securities, that I consider to be material weaknesses as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2004, to meet the Commission's objective.

This report is intended solely for the information and use of the Members management, the SEC, National Association of Securities Dealers, Inc. and other regulatory agencies that rely on rule 17a-5 (g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant
Livingston, NJ
January 28, 2005