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

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

SEC FILE NUMBER
8-66158

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 JAN 01 2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ECN TRADING, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1320 NORTH VEITCH STREET

(No. and Street)

ARLINGTON

(City)

VA

(State)

22201

(Zip Code)

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

Robert Shapiro (800) 776-1018

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

EGO & COMPANY, P.C.

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

7600 GEORGIA AVE, NW, Suite 206, WASHINGTON DC 20012

(Address)

(City)

(State)

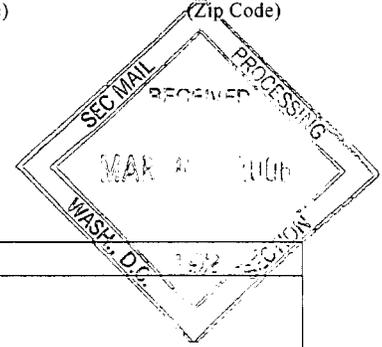
(Zip Code)

CHECK ONE:

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

MAY 30 2006

THOMSON
FINANCIAL



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*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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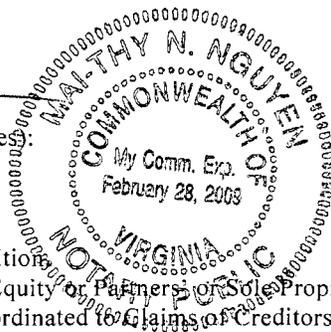
OATH OR AFFIRMATION

I, Robert Shapiro, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ECN TRADING, LLC, as of Dec 31, 2005, 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:

By: Robert S. Shapiro
Signature

President
Title

Notary Public
Notary Public



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 15c3-1 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).

**AUDIT REPORT
OF
ECN TRADING, LLC**

**FISCAL YEAR ENDED
DECEMBER 31, 2005**



**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
AND
(INDEPENDENT AUDITOR'S REPORT THEREON)**

ECN TRADING, LLC
DECEMBER 31, 2005

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
ECN Trading, LLC
Arlington, VA

We have audited the accompanying balance sheet of ECN Trading, LLC (ECN), as of December 31, 2005, and the related statements of income, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of ECN's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 statements referred to above present fairly, in all material respects, the financial position of ECN Trading, LLC as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements described in the first paragraph. The accompanying schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in those schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ego & Company, P.C.

Washington, DC
February 24, 2006

ECN TRADING, LLC
Balance Sheet
December 31, 2005

Assets:

Cash (Note 3)	\$ 8,036
Commission Receivable	-
Clearing Deposit (Note 4)	25,273
Computer Equipment, net (Note 5)	<u>2,373</u>
Total Assets	<u>\$ 35,682</u>

Liabilities & Owners' Equity:

Liabilities:

Accounts Payable	\$ 2,391
Commission Payable	<u>-</u>
Total Liabilities	<u>2,391</u>

Owners' Equity:

Owners' Capital	74,845
Retained Earnings	<u>(41,554)</u>
Total Owners' Equity	<u>33,291</u>
Total Liabilities & Owners' Equity	<u>\$ 35,682</u>

The accompanying notes are an integral part of these financial statements

ECN TRADING, LLC
Income Statement
For the Year Ended December 31, 2005

REVENUES:

Commissions revenue	\$ 164,394
ECN fee income	12,492
Other income	656
	<hr/>
Total Revenues	<u>177,542</u>

EXPENSES:

Advertising	5,673
Clearing charges	99,298
Broker Dealer registration	11,030
Payroll expense	30,093
Professional fees	52,974
Insurance	2,433
Rent	11,997
Equipment rental & repairs	655
Licenses & permits	431
Office supplies	3,312
Postage & delivery	37
Telephone	3,154
Bank service charges	308
Travel & Entertainment	3,391
Utilities	1,582
Depreciation expense	1,389
Miscellaneous expense	1,207
	<hr/>
Total Expenses	<u>228,964</u>
Income before provision of taxes	(51,422)
Provision of taxes	-
	<hr/>
Net Income/(Loss)	<u><u>\$ (51,422)</u></u>

The accompanying notes are an integral part of these financial statements

ECN TRADING, LLC
Statement of Cash Flows
For the Year Ended December 31, 2005

CASH FLOW FROM OPERATING ACTIVITIES	
Net Income	\$ (51,422)
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation	1,389
(Increase)/decrease in commission receivable	39,372
(Increase)/decrease in clearing deposits	(221)
Increase/(decrease) in accounts payable	(4,657)
Net Cash Provided by (Used in) Operating Activities	<u>(15,539)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Net acquisition of assets	-
Net Cash Used in Investing Activities	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Net proceeds from owners' capital	9,799
Net Cash Provided by Financing Activities	<u>9,799</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(5,740)
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	13,776
CASH AND CASH EQUIVALENT, END OF YEAR	<u>\$ 8,036</u>

The accompanying notes are an integral part of these financial statements

ECN TRADING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. Organization

ECN Trading, LLC (ECN) was incorporated in the state of Delaware in July 2002 to engage in the business of performing security transactions for investors and businesses (clients) as a securities broker. It does business as Trade Wall Street. ECN also gives its clients access to use any of its registered representatives to complete security transactions or directly complete any security transaction online. ECN operates brokerage services through one clearing organization: Pension Financial Services, Inc. ECN's clients send money directly to the clearing organizations for deposit into ECN accounts. ECN collects commission fees for its services to its clients. ECN is currently registered to do business in several states, but aims to register in most states of the United States.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

ECN has adopted the accrual basis of accounting in the preparation of its financial statements. Consequently, revenue is recognized when earned rather than when cash is received, and expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

b. Cash and Cash Equivalents

For financial statement purposes, ECN considers demand deposits and money market funds to be cash and cash equivalents.

c. Equipment, Furniture & Fixtures and Related Depreciation

ECN capitalizes all expenditures greater than \$500 for furniture and equipment. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

d. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ECN TRADING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

3. Cash and Cash Equivalents

ECN receives all of its revenue from fees charged for its brokerage services. During the year, ECN maintained two checking accounts at Bank of America and United Bank. The total cash balances at December 31, 2005 were as follows:

Savings –Bank of America	\$ 563
Checking - Bank of America	<u>7,473</u>
Total	<u>\$ 8,036</u>

4. Clearing Deposit

NCFG held a clearing deposit with Pension Financial Services, Inc. as requirement for ECN to do business with the clearing organization. At December 31, 2005, the balance in this reserve account amounted to \$25,273.

5. Fixed Assets – Computer Equipment

At December 31, 2005, the balances of fixed assets and the related accumulated depreciation were as follows:

Computer equipment	\$ 4,166
Less: Accumulated depreciation	<u>(1,793)</u>
Net	<u>\$ 2,373</u>

ECN TRADING, LLC
Statement of Changes in Stockholders' Equity
For the Year Ended December 31, 2005

Schedule A

1. Changes in Stockholders' Equity:

Balance, Beginning of period	\$ 74,914
Net income/ (loss)	(51,422)
Additions (includes non-conforming capital of \$0)	9,799
Deductions (includes non=conforming capital of \$0)	-
Balance, end of period	<u>\$ 33,291</u>

The accompanying notes are an integral part of these financial statements

ECN TRADING, LLC
Computation of Net Capital Under 240.15c3-1
December 31, 2005

Schedule B

<u>Account Name</u>	<u>Allowable Assets</u>	<u>Non-Allowable Assets</u>	<u>Aggregate Indebtedness</u>	<u>Other Liabilities</u>	<u>Capital Accounts</u>
Cash (Note 3)	\$ 8,036	\$ -	\$ -	\$ -	\$ -
Clearing deposit	25,273				
Computer equipment, net (Note 5)		2,373			
Accounts payable				(2,391)	
Other liabilities					
Owners' equity					(74,845)
Retained earnings					(9,868)
Net income					51,422
Totals	\$ 33,309	\$ 2,373	\$ -	\$ (2,391)	\$ (33,291)

2. NET CAPITAL COMPUTATION:

Total Assets	\$ 35,682
Less: Total Liabilities	(2,391)
Net Worth	33,291
Less: Subordinated Loans (approved)	-
Adjusted Net Worth	33,291
Less: Non-Allowable Assets	(2,373)
Tentative Net Worth	30,918
Haircuts	-
Undue Concentration haircuts	-
Net Capital	30,918
Less: Minimum Required Net Capital per SEC rule 15c3-1	(5,000)
Excess Net Capital	\$ 25,918

3. Reconciliation of Differences:

No material differences exist between the computation of net capital above and the ECN Trading, LLC's unaudited most recent Part II or Part IIA filings.

The accompanying notes are an integral part of these schedules

ECN TRADING, LLC
Other Supplementary Data
For the Year Ended December 31, 2005

Schedule C

4. A Computation for Determination of the Reserve Requirements

ECN Trading, LLC is exempt from the computation of the Reserve Requirement under Rule 15c3-3, because it is a fully disclosed Broker Dealer and does not hold any customer securities or does not accept any customer funds.

5. A reconciliation, including appropriate explanations of the audited computation of 15c3-3 Reserve Requirements and the broker's or dealer's corresponding unaudited most recent Part II or Part IIA filing shall be filed with said report when material differences exist. If no material differences exist, a statement so indicating shall be filed.

ECN Trading, LLC is exempt from the computation of the Reserve Requirement under Rule 15c3-3, because it is a fully disclosed Broker Dealer and does not hold any customer securities or does not accept any customer funds.

6. Information Relating to the Possession or Control Requirements

ECN Trading, LLC is a fully disclosed Broker Dealer and is exempt from this requirement.

7. A Statement of Changes in Liabilities Subordinated to Claims of General Creditors

There were no general creditors as of December 31, 2005

8. A report describing any material inadequacies found to exist

There were no material inadequacies found by auditors to exist (see Report on page 10).

9. A Reconciliation between the audited and unaudited Statement of Financial Condition with respect to methods of consolidation

No such differences exist because ECN Trading, LLC does not have subsidiaries that would require a consolidated financial condition for ECN Trading, LLC.

The accompanying notes are an integral part of these schedules



**Report on Internal Control Required by SEC Rule 17a-5 for a Broker-Dealer
Claiming an Exemption from SEC Rule 15c3-3**

To the Board of Directors
ECN Trading, LLC

In planning and performing our audit of the financial statements and supplemental schedules of ECN Trading, LLC (ECN), for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by ECN including tests of such practices and procedures that we 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 ECN does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by ECN 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 the Board of Governors of the Federal Reserve Systems

The management of ECN is responsible for establishing and maintaining internal control 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 ECN 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 U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses 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, we noted no matters involving internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We 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 ECN's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, NASD, and other regulatory agencies that rely on rule 17a-5(g) under 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.


Washington, DC
February 24, 2006