

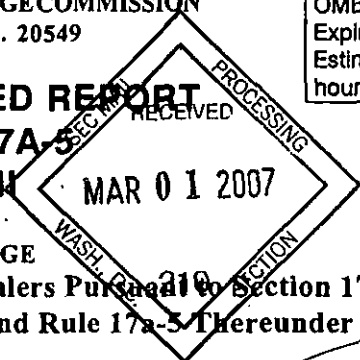


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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



SEC FILE NUMBER  
8- 52 858

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 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: BLUE TRADING, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

70 EAST 55<sup>th</sup> STREET, 22<sup>ND</sup> FLOOR

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

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

MITCHELL KOSCHES

212 - 404 - 1790

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

DOMENIC G. DISIENA

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

11 PENN PLAZA, 5<sup>th</sup> FLOOR, NEW YORK, NY

10001

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
**APR 30 2008**  
**THOMSON REUTERS**

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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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

AA/13

OATH OR AFFIRMATION

I, MITCHELL KOSCHES, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BLUE TRADING LLC, as of DECEMBER 31, 2006, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

LM  
Signature  
(FO)  
Title

M 2/23/07  
Notary Public

OFFICIAL SEAL  
MICHAEL A. BROWNSTEIN  
Notary Public - State of New York  
NO. 02BR5041023  
Qualified in New York County  
Commission Expires 3/27/207

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of ~~Income (Loss)~~: OPERATIONS.
- (d) Statement of ~~Changes in Financial Condition~~: CASH FLOW.
- (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).

**BLUE TRADING, LLC**  
**(INCLUDES THE FORMER BLUE TRADING, INC.)**  
**WHICH WAS MERGED ON 12/27/06 INTO BLUE TRADING, LLC)**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2006**

	<u>Blue Trading, Inc.</u>	<u>Blue Trading, LLC</u>	<u>Blue Trading, LLC (Combined)</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Checking/Savings			
M&T Bank	242,330	0	242,330
JP Morgan Chase	0	6,417	6,417
Total Checking/Savings	<u>242,330</u>	<u>6,417</u>	<u>248,747</u>
<b>Other Current Assets</b>			
Accrued Solicitation Income	0	209,798	209,798
Accounts Receivable	327,440	0	327,440
Clearing Deposit	250,000	0	250,000
Total Other Current Assets	<u>577,440</u>	<u>209,798</u>	<u>787,238</u>
<b>Total Current Assets</b>	<u>819,770</u>	<u>216,215</u>	<u>1,035,985</u>
<b>Fixed Assets</b>			
Furnitures & Equipments	25,975	0	25,975
Less: Accumulated Depreciation	-210	0	-210
<b>Total Fixed Assets</b>	<u>25,765</u>	<u>0</u>	<u>25,765</u>
<b>Other Assets</b>			
Goodwill	0	65,000	65,000
<b>Total Other Assets</b>	<u>0</u>	<u>65,000</u>	<u>65,000</u>
<b>TOTAL ASSETS</b>	<u><u>845,535</u></u>	<u><u>281,215</u></u>	<u><u>1,126,750</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	12,000	10,251	22,251
Accrued Expenses	63,869	274,432	338,301
Income Taxes Payable	0	18,000	18,000
Total Current Liabilities	<u>75,869</u>	<u>302,683</u>	<u>378,552</u>
<b>Total Liabilities</b>	<u>75,869</u>	<u>302,683</u>	<u>378,552</u>
<b>Equity</b>			
Members' Equity	0	105,000	362,962
Additional Paid-In	295,755	0	0
Common Stock	1,000	0	0
Retained Earnings	-38,793	0	0
Net Income	511,704	-126,468	385,236
<b>Total Equity</b>	<u>769,666</u>	<u>-21,468</u>	<u>748,198</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>845,535</u></u>	<u><u>281,215</u></u>	<u><u>1,126,750</u></u>

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

**END**