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

SEC FILE NUMBER
8- 66535

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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: JAW Trading, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1700 South Dixie Highway Suite 510
(No. and Street)

Boca Raton
(City)

Florida
(State)

33432
(Zip Code)

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

Angelo Rannazzisi

561-395-2929

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

J.E. Owens & Company, P.A.

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

2731 Silver Star Road

Orlando

Florida

32808

(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 01 2008

**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)

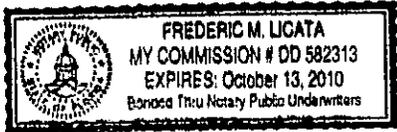
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OATH OR AFFIRMATION

I, Angelo Rannazzisi, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JAW Trading, LLC, as of December 31, 2007, 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:



Angelo Rannazzisi
Signature
president
Title

[Signature]
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 Cash Flows~~ **Cash Flows**
- (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.
- (o) Independent Auditors' Report on Internal Accounting Control

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

JAW TRADING, LLC

**Financial Statements
and
Independent Auditor's Report
December 31, 2007**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
JAW Trading, LLC
Boca Raton, Florida

We have audited the accompanying statement of financial condition of JAW Trading, LLC, as of December 31, 2007, and the related statements of income, changes in members' 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United State of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 JAW Trading, LLC at December 31, 2006 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

J. E. Owens & Company, P.A.

Orlando, Florida
February 15, 2008

**JAW TRADING, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2007**

ASSETS

Cash	\$ 24,363
Deposits with correspondent clearing broker	386,640
Receivable from correspondent clearing broker	9,067
Prepaid rent and deposit	1,755

TOTAL ASSETS	\$ 421,825
	=====

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$ 2,838
Payable to correspondent clearing broker	64
Note payable	125,000

TOTAL LIABILITIES	127,902

MEMBERS' EQUITY

Members' contributed capital	452,162
Retained earnings	(158,239)

TOTAL MEMBERS' EQUITY	293,923

TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 421,825
	=====

Read independent auditors' report.
The accompanying notes are an integral part of these financial statements.

JAW TRADING, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES

Commissions and fees	\$ 185,051
Trading gains (losses)	97,181
Interest and dividend income	3,775

TOTAL REVENUES (LOSSES)	286,007

EXPENSES

Clearing fees	121,553
Commissions	2,380
Communications	5,991
Interest	4,193
Licenses and registrations	150
Meals and entertainment	6,770
Occupancy	9,405
Office expense	8,658
Professional services	7,213
Travel	10,098

TOTAL EXPENSES	176,411

NET INCOME

\$ 109,596

=====

Read independent auditors' report.
The accompanying notes are an integral part of these financial statements

JAW TRADING, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2007

	MEMBER UNITS	MEMBER AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTALS
BALANCE, JANUARY 1, 2007	150	\$ 15,000	\$ 553,425	\$ (267,835)	\$ 300,590
Add: Capital Contributions	----	-----	-----		-----
Less: Distributions			(116,263)		(116,263)
Less: Net Income For The Year				109,596	109,596
BALANCE, DECEMBER 31, 2007	150	\$ 15,000	\$ 437,162	\$ (158,239)	\$ 293,923

Read independent auditors' report.
The accompanying notes are an integral part of these financial statements.

JAW TRADING, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 109,596
Adjustments to reconcile net loss to cash provided by operating activities:	
Depreciation	-----
Decrease (increase) in assets:	
Deposit with correspondent clearing broker	(91,184)
Receivable from correspondent clearing broker	(5,713)
Prepaid rent and deposit	87
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	(1,859)
Payable to correspondent clearing broker	(909)

Net cash provided (used) by operating activities	10,018

CASH FLOWS FROM FINANCING ACTIVITIES	
None	-----

Net cash provided (used) in financing activities	-----

CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from note payable	125,000
Distributions to members	(116,263)

Net cash provided (used) in investing activities	8,737

NET INCREASE IN CASH	18,755
CASH, BEGINNING OF PERIOD	5,608

CASH, END OF PERIOD	\$ 24,363
	=====

Read independent auditors' report.
The accompanying notes are an integral part of these financial statements.

JAW TRADING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

JAW Trading, LLC, (the “Company”) a Florida limited liability company, organized on December 15, 2003, began its operations in June, 2004. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the NYSE Arca. The Company clears securities transactions through a correspondent broker on a fully disclosed basis. The correspondent broker performs all operations for the securities transactions and pays the Company a commission.

Securities Owned and Securities Sold, Not Yet Purchased

Securities transactions are recorded on the settlement date and are stated at market value. The change in unrealized gains or losses on these securities is added or charged to earnings. Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

Depreciation

Property and equipment are recorded at cost. Depreciation is provided using the Modified Accelerated Cost Recovery System (MACRS). The results, obtained from the use of these methods, do not differ materially from the depreciation methods required by generally accepted accounting principles. At December 31, 2007, the Company did not own any property and equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the Company’s books and records, and any resulting gain or loss is recognized in income for the period.

The cost of maintenance and repairs is charged to income as incurred and significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

Income Taxes

The Company is taxed as a partnership for federal income tax purposes, as outlined in the Internal Revenue Code. Under those provisions, the Company does not pay federal income taxes on its taxable income. Instead, the member is liable for individual federal income taxes on the Company’s taxable income.

JAW TRADING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Net Capital Requirements

Pursuant to the capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital amount. The minimum net capital requirement for the current year is \$100,000. The net capital rules may effectively restrict distributions and repayment of subordinated loans.

Use of Estimates

The preparation 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 disclosures 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.

Commissions

Commission revenues and related clearing expenses are recorded on a settlement date basis.

Advertising Costs

The Company expenses the costs of advertising the first time the advertising takes place.

NOTE B – INTEREST EXPENSE PAID

During the fiscal year ended December 31, 2007, the Company paid interest expense in the amount of \$4,193.

JAW TRADING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE C – SHORT TERM NOTE PAYABLE

On October 1, 2007, the Company borrowed \$125,000 from an individual for a period of one year. The note provides for interest at the rate of eight percent (8%) payable quarterly. For the fiscal year ended December 31, 2007, the Company paid interest payments on this note in the amount of \$2,500.

NOTE D – COMMITMENTS AND CONTINGENCIES

Effective April 1, 2007, the Company conducted its operations in office space that is rented on a month to month. The monthly rental is \$742, including taxes, and is payable on the first of the month, in advance. During the fiscal year ended December 31, 2007, the Company paid rent expense in the amount of \$9,405. There are no future minimum lease commitments under this rental arrangement.

NOTE D – CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances at Bank of America, N.A. The accounts at this institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2007, the Company's cash balances did not exceed the federal depository insurance limits.

In addition, the Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

JAW TRADING, LLC
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
AT DECEMBER 31, 2007

NET CAPITAL	
Total stockholder's equity	\$ 293,923
Nonallowable assets	(1,755)
Haircuts on securities owned and securities sold not yet purchased	-----

NET CAPITAL	<u><u>\$ 292,168</u></u>
AGGREGATE INDEBTEDNESS	
Liabilities	<u><u>\$ 127,902</u></u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	<u><u>\$ 8,526</u></u>
NET CAPITAL REQUIREMENT	<u><u>\$ 100,000</u></u>
EXCESS NET CAPITAL	<u><u>\$ 192,168</u></u>
AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u><u>.4378 to 1.00</u></u>

Read independent auditors' report.
The accompanying notes are an integral part of these financial statements.

JAW TRADING, LLC
RECONCILIATION OF NET CAPITAL PURSUANT TO RULE 17a5(d)(4)
OF THE SECURITIES AND EXCHANGE COMMISSION
AT DECEMBER 31, 2007

RECONCILIATION WITH THE COMPANY'S COMPUTATION

Net capital, as reported on the Company's Part II (unaudited) FOCUS report:	\$ 292,166
 Rounding Difference	 2 -----
 Net capital	 \$ 292,168 =====

. Read independent auditors' report.
The accompanying notes are an integral part of these financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

The Board of Directors and Members
JAW Trading, LLC
Boca Raton, Florida

In planning and performing our audit of the financial statements and supplemental schedules of JAW Trading, LLC, (the Company), as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 the Company including consideration of control activities for safeguarding securities. This study included 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 exemption provisions of rule 15c3-3. Because the Company 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 the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. 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 System

The management of the Company 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

The Board of Directors and Members
JAW Trading, LLC

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. SEC Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and 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.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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

The Board of Directors and Members
JAW Trading, LLC

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, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, Members, management, the SEC, 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.

J. E. Dennis & Company, P.A.

Orlando, Florida
February 15, 2008