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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

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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 1/1/08 AND ENDING 12/31/08 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Zecco Trading, Inc.

OFFICIAL USE ONLY FIRM I.D. NO.

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

35 North Lake Avenue, Suite 500 (No. and Street)

Pasadena, California 91101

(City)

(State)

(Zip Code)

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

Mike Chiodo

(626) 529-7100

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BOROS & FARRINGTON

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

11770 Bernardo Plaza Court, Suite 210, San Diego, CA 92128

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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).

OATH OR AFFIRMATION

I, Mike Chiodo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Zecco Trading, Inc., as of December 31, 2008, 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:

None

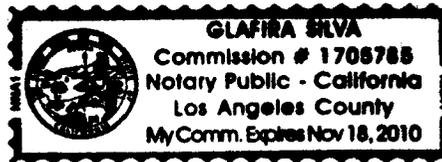
Mike Chiodo
Signature

CFO

Title

Glafira Silva

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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation of 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).

ZECCO TRADING, INC.

Table of Contents

	<i>Page</i>
Independent Auditor's Report	1
Audited Financial Statements:	
Statement of Financial Condition.....	2
Statement of Operations.....	3
Statement of Changes in Stockholder's Equity.....	4
Statement of Liabilities Subordinated to Claims of General Creditors.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6-7
Other Financial Information:	
Supplemental Schedule - Computation of Net Capital Pursuant to Rule 15c3-1	8
Independent Auditor's Supplementary Report on Internal Control Structure Required by Rule 17a-5	9-10

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Zecco Trading, Inc.

We have audited the accompanying statement of financial condition of Zecco Trading, Inc. as of December 31, 2008, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended. 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 States 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 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 Zecco Trading, Inc. at December 31, 2008, 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 information contained in the supplemental computation of net capital 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 of the Securities Exchange Commission. 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.

Boros & Farrington APC

February 10, 2009
San Diego, California

ZECCO TRADING, INC.

Statement of Financial Condition

December 31, 2008

ASSETS

Cash	\$ 422,588
Deposits with clearing organization	264,673
Commissions receivable	445,446
Prepaid expenses and other assets	91,240
Deposits	159,091
Fixed assets, less accumulated depreciation of \$92,418	<u>321,523</u>
	<u>\$ 1,704,561</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Due to clearing organization	\$ 947
Accounts payable and accrued liabilities	<u>369,159</u>
Total liabilities	<u>370,106</u>
Stockholder's equity	
Common stock, 100,000 shares authorized	5,000
Additional paid-in capital	4,923,098
Accumulated deficit	<u>(3,593,643)</u>
Total stockholder's equity	<u>1,334,455</u>
	<u>\$ 1,704,561</u>

See notes to financial statements.

ZECCO TRADING, INC.

Statement of Operations

Year Ended December 31, 2008

Revenues	
Commissions and fees	\$ 8,561,965
Interest and dividends	16,551
Other revenues	<u>6,015</u>
	<u>8,584,531</u>
Expenses	
Compensation and benefits	5,327,075
Commissions and clearing charges	5,262,367
Occupancy	664,628
Communications	442,585
Outside services	359,995
Travel and entertainment	120,908
Regulatory fees	106,161
Loss on disposal of assets	21,267
Interest	713
Other operating expenses	<u>149,521</u>
	<u>12,455,220</u>
Net loss	<u><u>\$(3,870,689)</u></u>

See notes to financial statements.

ZECCO TRADING, INC.

Statement of Changes in Stockholder's Equity

Year Ended December 31, 2008

	<i>Common Stock</i>		<i>Additional</i>	<i>Accumulated</i>
	<i>Shares</i>	<i>Amount</i>	<i>Paid-in</i>	<i>Earnings</i>
			<i>Capital</i>	<i>(Deficit)</i>
Sale of common stock	500	\$5,000	\$ 55,844	\$ 277,046
Capital contributions	-	-	4,867,254	-
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,870,689)</u>
Balance, end of year	<u>500</u>	<u>\$5,000</u>	<u>\$4,923,098</u>	<u>\$(3,593,643)</u>

Statement of Liabilities Subordinated to Claims of General Creditors

Year Ended December 31, 2008

Balance, beginning of year	\$ -
Increases	-
Decreases	<u>-</u>
Balance, end of year	<u>\$ -</u>

See notes to financial statements.

ZECCO TRADING, INC.

Statement of Cash Flows

Year Ended December 31, 2008

Cash flows from operating activities	
Net loss	\$(3,870,689)
Adjustments to reconcile net loss to net cash from operating activities	
Depreciation	67,354
Loss on disposal of assets	21,267
Changes in operating assets and liabilities	
Commissions receivable	(445,446)
Deposits with clearing organization	25,493
Prepaid expenses and other assets	(192,506)
Due to clearing organization	(171,686)
Accounts payable and accrued liabilities	<u>260,684</u>
Net cash from operating activities	<u>(4,305,529)</u>
Cash flows from investing activities	
Securities owned	13,560
Securities owned, but not yet purchased	(1,985)
Proceeds from disposal of assets	17,900
Capital expenditures	<u>(208,311)</u>
Net cash from investing activities	<u>(178,836)</u>
Cash flows from financing activities	
Net changes in bank line of credit	(30,544)
Capital contributions	<u>4,867,254</u>
Net cash from financing activities	<u>4,836,710</u>
Net increase in cash	352,345
Cash, beginning of year	<u>70,243</u>
Cash, end of year	<u>\$ 422,588</u>
Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ 713</u>
Income taxes paid	<u>\$ -</u>

See notes to financial statements.

ZECCO TRADING, INC.

Notes to Financial Statements

1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company. Zecco Trading, Inc. (the "Company") is a registered broker-dealer licensed by the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The Company provides broker-dealer services as an introducing broker-dealer clearing customer transactions through another broker-dealer on a fully disclosed basis.

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates 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 may differ from those estimates.

Revenue Recognition. Security transactions and the related commission revenue are recorded on a settlement date basis.

Fixed Assets. Fixed assets are stated at cost. Additions, renovations, and improvements are capitalized. Maintenance and repairs which do not extend asset lives are expensed as incurred. Depreciation is provided on the straight-line method over the estimated useful lives of the related assets or, in the case of leasehold improvements, over the lesser of the useful life of the related asset or the lease term (generally 3-7 years).

Income Taxes. The Company files its state and federal tax returns in a consolidated tax filing with its Parent Company. Accordingly, income or losses are available to the Parent in its consolidated filing, in 2008 approximately \$3,800,000 of net operating losses are available in the consolidated filing, and no provision for federal income taxes has been reflected in the accompanying financial statements. State minimum franchise taxes have been paid by the Parent Company.

Concentration of Credit Risk. The company maintains cash balances with various financial institutions. Management performs periodic evaluations of the relative credit standing of these institutions. The Company has not sustained any material credit losses from these instruments.

Financial Instruments. The carrying values reflected in the statement of financial condition at December 31, 2008 reasonably approximate the fair values for financial instruments. In making such assessment, the Company has utilized discounted cash flow analyses, estimates, and quoted market prices as appropriate. No allowance for potential credit losses was considered necessary at December 31, 2008.

2. FIXED ASSETS

Furniture and fixtures	\$ 105,184
Communications equipment	85,829
Computer equipment	79,456
Software	63,238
Leasehold improvements	<u>80,234</u>
	413,941
Accumulated depreciation	<u>(92,418)</u>
	<u>\$ 321,523</u>

ZECCO TRADING, INC.

Notes to Financial Statements

3. COMMITMENTS AND CONTINGENCIES

Settlement of Securities Transactions. As discussed in Note 1, the Company does not hold customer segregated cash or securities balances. Transactions are processed by a clearing firm on a fully disclosed basis. In conjunction with this arrangement, the Company is contingently liable for any unsecured debit balances in the customer accounts introduced by the Company. These customer activities may expose the Company to off-balance-sheet credit risk in the event the introduced customer is unable to fulfill its contracted obligations. The Company seeks to control such credit risk by monitoring its exposure to the risk of loss daily, on an account-by-account basis. The Company did incur losses of approximately \$480,000 during the year from activity in its customer's accounts included in clearing charges. At December 31, 2008, the Company was not responsible for any unsecured debits and did not have any open positions in its trading accounts.

Operating Leases. The Company leases its offices under long-term operating leases. Under these leases, the Company pays taxes, insurance, and maintenance expenses. Rent expense for 2008 was \$487,672. Future minimum lease commitments under these non-cancelable operating leases are as follows:

Year ending December 31:	
2009	\$ 460,471
2010	413,792
2011	<u>266,092</u>
	<u>\$1,146,355</u>

4. NET CAPITAL REQUIREMENTS

Under Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital (as defined) and a ratio of aggregate indebtedness to net capital (as defined) not exceeding 15 to 1.

The Company's ratio at December 31, 2008 was 0.55 to 1. The basic concept of the Rule is liquidity, its object being to require a broker-dealer in securities to have at all times sufficient liquid assets to cover its current indebtedness. At December 31, 2008, the Company had net capital of \$677,422 was \$652,748 in excess of the amount required by the SEC.

5. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO THE POSSESSION AND CONTROL REQUIREMENTS UNDER RULE 15c3-3

The Company relies on Section K (2) (ii) of the Securities Exchange Rule 15c3-3 to exempt them from the provisions of these rules.

ZECCO TRADING, INC.

Supplemental Schedule Computation of Net Capital Pursuant to Rule 15c3-1

December 31, 2008

	<i>Audited Financial Statements</i>	<i>FOCUS X-17A-5 Part IIA</i>	<i>Differences</i>
Total stockholders' equity	\$1,334,455	\$1,359,276	\$(24,821)
Less non-allowable assets			
Commissions receivable	80,179	105,000	24,821
Prepaid expenses and other assets	91,240	91,240	-
Prepaid expenses and other assets	159,091	150,272	(8,819)
Fixed assets	<u>321,523</u>	<u>321,523</u>	<u>-</u>
Net capital before charges on security positions	682,422	691,241	(8,819)
Less charges on security positions			
Excess insurance deductible	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net capital	677,422	686,241	(8,819)
Less minimum net capital	<u>24,674</u>	<u>24,085</u>	<u>(589)</u>
Excess net capital	<u>\$ 652,748</u>	<u>\$ 662,156</u>	<u>\$ (9,408)</u>
Total aggregate indebtedness	<u>\$ 370,106</u>	<u>\$ 361,287</u>	<u>\$ 8,819</u>
Ratio of aggregate indebtedness to net capital	<u>0.55</u>	<u>0.53</u>	<u>0.02</u>

Note: The differences between the net capital reported above and the net capital reported on form FOCUS X-17A-5 Part IIA as of December 31, 2008 result primarily from audit adjustments to commissions receivable, deposits, and accounts payable.

**INDEPENDENT AUDITOR'S SUPPLEMENTARY
REPORT ON INTERNAL CONTROL STRUCTURE**

Board of Directors
Zecco Trading, Inc.:

In planning and performing our audit of the financial statements and supplementary schedules of Zecco Trading, Inc. ("the Company") for the year ended December 31, 2008, 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 the Company 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 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 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.
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 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 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) 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, errors 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 errors 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. We noted no matters involving the control environment and accounting system and their operation that we consider to be a material weakness as defined above.

We understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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, 2008, to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used by anyone other than these specified parties.

Boros & Farrington APC

February 10, 2009
San Diego, California

ZECCO TRADING, INC.

**Financial Statements
And
Independent Auditor's Report
Year Ended December 31, 2008**