



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

3/23/9

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

| |
|-----------------|
| SEC FILE NUMBER |
| 8- 65173 |

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 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Professional Trading Services Brokerage, LLC

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

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

125C Gaither Drive East Gate Business Center

(No. and Street)

Mt. Laurel

(City)

New Jersey

(State)

08054

(Zip Code)

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

Richard W. Shank

856-802-9400

(Area Code Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Romeo & Chiaverelli, LLC CPA's

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

1601 Walnut Street, Suite 815

(Address)

Philadelphia

(City)

PA

(State)

19102

SEC Mail Processing
Section

CHECK ONE:

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

FEB 26 2009

Washington, DC
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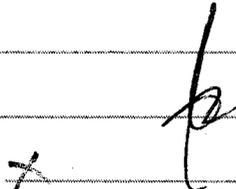
FOR OFFICIAL USE ONLY

*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)

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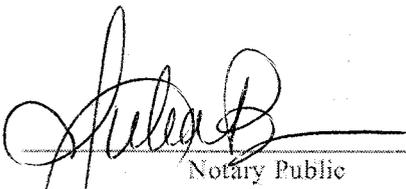
OATH OR AFFIRMATION

I, Richard W. Schank, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Professional Trading Services Brokerage, LLC a/k/a PTS Brokerage, LLC, as of December 31, 20 08, 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

Title



Notary Public

JULIA BRINES
Notary Public of New Jersey
My Commission Expires May 25, 2010

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.
- N/A (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- N/A (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- N/A (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.
- N/A (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- N/A (m) A copy of the SIPC Supplemental Report.
- N/A (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) A report on Internal Accounting Control

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

**FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION
INDEPENDENT AUDITORS' REPORT AND
OTHER MATTERS**

PTS BROKERAGE, LLC

DECEMBER 31, 2008

PTS BROKERAGE, LLC

DECEMBER 31, 2008

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ROMEO & CHIAVERELLI LLC

Certified Public Accountants

Joseph A. Romeo, CPA
Medford, NJ
(609) 268-9781

1601 Walnut Street, Suite 815
Philadelphia, PA 19102
(215) 569-2113
FAX (215) 972-0787

Anthony Chiaverelli, CPA
Horsham, PA
(215) 542-7544

Independent Auditors' Report

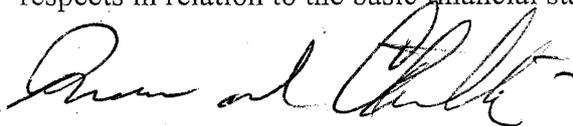
The Member PTS Brokerage, LLC

We have audited the accompanying statement of financial condition of **PTS Brokerage, LLC** (a Limited Liability Company) as of December 31, 2008 and the related statements of income and 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 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 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 **PTS Brokerage, LLC** as of December 31, 2008 and the results of its operations and its cash flow 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 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.



ROMEO & CHIAVERELLI LLC
February 2, 2009

PTS BROKERAGE, LLC
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2008

ASSETS

CURRENT ASSETS

| | |
|----------------------|---------------|
| Cash | \$348,921 |
| Receivables | 115,937 |
| Prepaid expenses | <u>15,131</u> |
| Total current assets | 479,989 |

PROPERTY AND EQUIPMENT

| | |
|-------------------------------|----------------|
| Computer equipment | 2,862 |
| Furniture | <u>495</u> |
| | 3,357 |
| Less accumulated depreciation | <u>(3,357)</u> |
| Total property and equipment | <u>0</u> |

Total Assets \$479,989

LIABILITIES AND MEMBER EQUITY

LIABILITIES

| | |
|---------------------------|--------------|
| Commissions payable | \$ 91,626 |
| Accrued expenses | <u>4,500</u> |
| Total current liabilities | 96,126 |

MEMBER EQUITY 383,863

Total Liabilities and Member Equity \$479,989

The accompanying notes are an integral part of these
financial statements

PTS BROKERAGE, LLC
STATEMENT OF INCOME AND MEMBER EQUITY
YEAR ENDED DECEMBER 31, 2008

| | |
|--------------------------------------|------------------|
| REVENUE | |
| Commissions | \$659,033 |
| Investment advisory fees | 422,258 |
| Other income | <u>16,420</u> |
| Total revenue | 1,097,711 |
| | |
| OPERATING EXPENSES | |
| Employee compensation and benefits | 737,108 |
| Occupancy | 2,623 |
| Regulatory fee | 17,043 |
| Other expenses | <u>16,838</u> |
| Total operating expenses | <u>773,612</u> |
| | |
| NET INCOME | 324,099 |
| | |
| Member equity, beginning of year | 436,814 |
| | |
| Less: Distribution of member capital | <u>(377,050)</u> |
| | |
| Member equity, end of year | <u>\$383,863</u> |

The accompanying notes are an integral part of these
financial statements

PTS BROKERAGE, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

| | |
|--|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Net income | \$,324,099 |
| Adjustments to reconcile net income to net cash Provided by operating activities: | |
| Change in: | |
| Accounts receivable | 11,744 |
| Prepaid Expenses | (2,752) |
| Commissions payable | <u>9,787</u> |
| Net cash provided by operating activities and increase in cash | 342,878 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Distribution of member capital | <u>(377,050)</u> |
| Net cash used by financing activities | <u>(377,050)</u> |
| Net decrease in cash | (34,172) |
| Cash, beginning of year | <u>383,093</u> |
| Cash, end of year | <u><u>348,921</u></u> |

The accompanying notes are an integral part of these
financial statements

PTS BROKERAGE, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies applied by management in the preparation of the financial statements.

Organization

PTS Brokerage, LLC (Company) was organized under the Laws of the State of New Jersey in 2001 and was registered as a broker-dealer in August 2002 under the Securities Exchange Act of 1934, as amended. The Company sells mutual funds, life insurance products including variable annuities, provides investment advisory services and provides financial planning services to public customers. The Company is registered in twenty five (25) states to conduct securities transactions and maintains five branch offices.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and equipment

Property and equipment are carried at cost. Depreciation is provided primarily by the straight-line method over the estimated useful lives of the assets as follows:

| | |
|--------------------|--------|
| Computer equipment | 3 year |
| Furniture | 5 year |

Revenue recognition

Revenue is recognized from the sale of mutual funds as earned. Revenue from the placement of life insurance products is recognized upon notification of policy acceptance and renewal. Revenue from investment advisory services is recognized as received. Revenue from financial planning services is recognized as billed.

PTS BROKERAGE, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income taxes

The Company, a limited liability company, has elected to be taxed for federal and state purposes as a proprietorship. As a result, the Company is not a taxpaying entity for federal or state income tax purposes and, accordingly, no income tax expense or tax benefit has been recorded in these financial statements. Income or losses from the Company are reflected on the Member income tax return.

NOTE B – NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed a ratio of 15 to 1. At December 31, 2008, the ratio was 0.38 to 1. The Company complied with the exemptive provisions of Rule 15c3-3 under subparagraph (k)(1). All customer transactions are limited to the sale and redemption of redeemable securities of registered investment companies, the sale of life insurance products including variable annuities, providing investment advisory services and providing financial planning services. At December 31, 2008, the Company had net capital, as defined, of \$256,342, which was \$249,934 in excess of its required minimum net capital of \$6,408.

NOTE C – EXPENSE AGREEMENT

The Company enters into an annual expense agreement with Professional Training Services, a company under common control. Under the agreement, the Company shares space with Professional Training Services and utilizes their telephone services in return for the payment of a percentage of Professional Training Services' monthly lease expense and their monthly telephone costs. For the year 2008, the Company paid 10% of the rent expense and 10% of the monthly telephone costs. The total rent expense for 2008 was \$2,623 and the total telephone expense was \$2,092.

PTS BROKERAGE, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE D – CASH CONCENTRATION

The Company's cash balance of \$348,921 as at December 31, 2008 was held in a standard check writing account at one banking institution. The cash balance is insured by the FDIC up to a maximum of \$250,000 through December 31, 2009. The FDIC insurance coverage, which was increased from \$100,000 to \$250,000 as the result of the Emergency Economic Stabilization Act of 2008 passed on October 3, 2008, will revert back to \$100,000 on January 1, 2010.

SUPPLEMENTARY INFORMATION

PTS BROKERAGE, LLC
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2008

| | |
|--|------------------|
| Total member equity from Statement of financial condition | \$ 383,863 |
| Deduct non-allowable assets: | |
| Receivable | 112,390 |
| Prepaid expenses | <u>15,131</u> |
| | <u>127,521</u> |
| Net capital | <u>\$256,342</u> |
| Minimum net capital required per 15c3-1 (a)(2) | <u>\$ 6,408</u> |
| Excess net capital | <u>\$249,934</u> |
| Excess net capital at 1000% | <u>\$246,729</u> |
| Aggregate indebtedness from statement of financial condition, net of A-1c liabilities | <u>\$ 96,126</u> |
| Ration of aggregate indebtedness to net capital | <u>37 %</u> |
| Debt-equity ratio computed in accordance with 15c3-1(d) | <u>0</u> |

PTS BROKERAGE, LLC
RECONCILIATION OF THE COMPUTATION OF NET CAPITAL
UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2008

| | |
|--|-------------------|
| Total member equity according To Form X-17A-5 | \$ 385,924 |
| Audit Adjustments | (2,061) |
| Total members' equity according to the audit | <u>\$ 383,863</u> |
| Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2008: | |
| Net capital, as reported in Company's Part II (unaudited) FOCUS Report | \$ 331,740 |
| Audit Adjustments | |
| Decrease in net income | (2,061) |
| Increase in non-allowable receivables | (77,649) |
| Decrease in other non-allowable assets | <u>4,312</u> |
| Net audit adjustments | (75,398) |
| Net capital according to the audit | <u>\$ 256,342</u> |

OTHER MATTERS

ROMEO & CHIAVERELLI LLC

Certified Public Accountants

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Medford, NJ
(609) 268-9781

1601 Walnut Street, Suite 815
Philadelphia, PA 19102
(215) 569-2113
FAX (215) 972-0787

Anthony Chiaverelli, CPA
Horsham, PA
(215) 542-7544

Report on Internal Accounting Control Required by SEC Rule 17a-5

The Member PTS Brokerage, LLC

In planning and performing our audit of the financial statements of PTS Brokerage, LLC (the "Company") as of and for the year ended December 31, 2008 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 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 the 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 the 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 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 purpose 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, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, the SEC, the Financial Industry Regulatory Authority, 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.

A handwritten signature in cursive script, appearing to read "Romeo & Chiaverelli".

ROMEO & CHIAVERELLI LLC
Certified Public Accountants
February 2, 2009