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UNITED STATES  
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Washington, D.C. 20549

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OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response..... 12.00

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

MAR 2 2010

SEC FILE NUMBER  
8-41161

DIVISION OF MARKET REGULATION 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 January 1, 2009 AND ENDING December 31, 2009  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Millenco LLC

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

666 Fifth Avenue, 8th Floor

(No. and Street)

New York

NY

10103

(City)

(State)

(Zip Code)

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

Robert A. Williams

(212) 841-4125

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Ernst & Young LLP

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

5 Times Square

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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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)

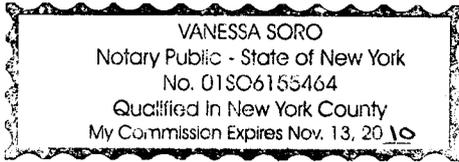
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BB 3/11

OATH OR AFFIRMATION

I, Robert A. Williams, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Millenco LLC, as of December 31, 2009, 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:



Robert A. Williams
Signature
Chief Financial Officer
Title

Vanessa Soro
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).

Millenco LLC

Statement of Financial Condition

December 31, 2009

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## Report of Independent Registered Public Accounting Firm

To the Member of Millenco LLC

We have audited the accompanying statement of financial condition of Millenco LLC (the “Company”) as of December 31, 2009. This statement of financial condition is the responsibility of the Company’s management. Our responsibility is to express an opinion on the statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. We were not engaged to perform an audit of the Company’s internal control over financial reporting. Our audit included 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 statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Millenco LLC at December 31, 2009 in conformity with U.S. generally accepted accounting principles.



February 22, 2010

# Millenco LLC

## Statement of Financial Condition

December 31, 2009  
(In Thousands)

### Assets

Receivable from brokers, dealers and clearing organizations, net	\$ 1,461,109
Securities owned, at fair value	3,954,131
Securities borrowed	1,698,882
Other assets	8,767
Total assets	<u>\$ 7,122,889</u>

### Liabilities and member's capital

Securities sold, not yet purchased, at fair value	\$ 3,379,704
Securities loaned	1,722,903
Payable to Millennium Partners, L.P.	152,530
Other liabilities	7,876
Total liabilities	<u>5,263,013</u>

Member's capital	<u>1,859,876</u>
Total liabilities and member's capital	<u>\$ 7,122,889</u>

*See accompanying notes to statement of financial condition.*

# Millenco LLC

## Notes to Statement of Financial Condition

December 31, 2009

*(In Thousands)*

### **1. Organization**

Millenco LLC (the “Company”), a Delaware limited liability company, is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the New York Stock Exchange (“NYSE”), NYSE Amex Equities LLC (formerly NYSE Alternext US LLC) and NASDAQ. The Company engages in proprietary securities transactions and clears all trades on a fully disclosed basis through its clearing organizations.

Integrated Holding Group LP (the “Parent”), a wholly owned subsidiary of Millennium Partners, L.P. (“MLP”), is the sole member of the Company.

### **2. Significant Accounting Policies**

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the statement of financial condition and accompanying notes. Management believes that the estimates utilized in preparing its statement of financial condition are reasonable and prudent. Actual results could differ from those estimates.

Transactions in securities are recorded on a trade date basis. Interest and dividends are accounted for on an accrual basis. Related receivables and payables are included in other assets and other liabilities in the statement of financial condition.

Securities owned, securities sold, not yet purchased and derivative financial instruments are recorded at fair value on a trade date basis. Securities owned may be pledged to the clearing organizations on terms which permit them to sell or re-pledge the securities to others subject to certain limitations.

Included in other assets in the statement of financial condition are preferred shares owned by the Company through joint back office arrangements with its clearing organizations and are recorded at cost of \$110, which approximates fair value. As an owner of the preferred shares, the Company receives an exemption from Regulation T.

## Millenco LLC

### Notes to Statement of Financial Condition (continued)

#### **2. Significant Accounting Policies (continued)**

Securities borrowed and loaned result from transactions with other broker-dealers or financial institutions and are recorded at the amount of cash collateral advanced or received. Securities borrowed transactions require the Company to deposit cash with the lender. Securities loaned transactions require the borrower to deposit cash with the Company. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as necessary.

The fair value of the Company's assets and liabilities, which qualify as financial instruments approximates the carrying amounts presented in the statement of financial condition.

In July 2009, the Financial Accounting Standard Board ("FASB") launched the FASB Accounting Standards Codification ("ASC") as the single authoritative source of GAAP. While the ASC did not change the underlying principles of GAAP, it introduced a new structure to the accounting literature and changed references to accounting standards and other authoritative accounting guidance. The ASC was effective for the Company for the year ending December 31, 2009, and did not have an effect on the Company's financial condition.

On January 21, 2010, the FASB released Accounting Standards Update ("ASU") 2010-06, *Improving Disclosures About Fair Value Measurements*, which requires enhanced disclosures and clarifies some existing disclosure requirements about fair value measurement as set forth in ASC 820-10. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for certain disclosures related to the fair valuation of Level 3 instruments, which will be effective for interim and annual reporting periods beginning after December 15, 2010. The Company does not believe that the adoption of ASU 2010-06 will have a material impact on the statement of financial condition.

#### **3. Fair Value of Financial Instruments**

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The transaction to sell an asset or transfer a liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant. A fair value measurement also assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

## Millenco LLC

### Notes to Statement of Financial Condition (continued)

#### **3. Fair Value of Financial Instruments (continued)**

The fair value hierarchy under ASC 820 prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1            Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets and liabilities;
- Level 2            Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3            Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires considerable judgment and involves considering a number of factors specific to the financial instrument.

For financial instruments which are quoted in an active market, fair value is determined directly from those quoted market prices. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those quotes represent actual and regularly occurring market transactions on an arm's length basis.

For financial instruments which do not have directly available quoted market prices, fair values are estimated using valuation techniques based wherever possible on assumptions supported by observable market prices or rates existing at the measurement date. This is the case for many unquoted instruments and other items which are not traded in active markets.

Millenco LLC

Notes to Statement of Financial Condition (continued)

**3. Fair Value of Financial Instruments (continued)**

The following tables summarize the Company's assets and liabilities carried at fair value within the fair value hierarchy levels as of December 31, 2009.

**Assets at Fair Value as of December 31, 2009**

<b><u>Description</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Equities	\$ 3,936,753	\$ 9	\$ 564	\$ 3,937,326
Bonds	—	3,938	1,507	5,445
Options	11,360	—	—	11,360
Futures	205	—	—	205
<b>Total</b>	<b>\$ 3,948,318</b>	<b>\$ 3,947</b>	<b>\$ 2,071</b>	<b>\$ 3,954,336</b>

**Liabilities at Fair Value as of December 31, 2009**

<b><u>Description</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Equities	\$ 3,379,251	\$ —	\$ —	\$ 3,379,251
Bonds	—	1	—	1
Options	452	—	—	452
Futures	1,756	—	—	1,756
<b>Total</b>	<b>\$ 3,381,459</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ 3,381,460</b>

## Millenco LLC

### Notes to Statement of Financial Condition (continued)

#### **4. Receivable from Brokers, Dealers and Clearing Organizations**

Receivable from brokers, dealers and clearing organizations, net represents fair value of futures, net cash and margin debt balances deposited with the Company's brokers, dealers and clearing organizations, proceeds from securities sold short, and amounts receivable or payable for securities transactions that have not settled at December 31, 2009. The cash at the clearing organizations related to securities sold short is restricted.

The Company had margin requirements for futures contracts of \$10,052 at December 31, 2009, which were satisfied by cash on deposit. The cash deposit is included in receivable from brokers, dealers and clearing organizations, net in the statement of financial condition.

A source of the Company's short-term financing is provided by its brokers, dealers and clearing organizations from which it can borrow against its proprietary inventory positions, subject to collateral maintenance requirements.

#### **5. Related Party Transactions**

Certain affiliates provide trading and accounting services and incur other administrative expenses on the Company's behalf without charge. In addition, MLP advances funds to the Company. These non-interest bearing advances totaled \$152,530 at December 31, 2009 and are payable upon demand.

#### **6. Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1 (the "Rule") which specifies, among other requirements, minimum net capital requirements for registered broker-dealers. The Company has elected to compute its net capital under the alternative method permitted by the Rule which requires, among other things, that the Company maintain minimum net capital, as defined, of \$250. At December 31, 2009, the Company had net capital of \$869,269 which exceeded its requirement by \$869,019.

Certain advances, payments and other equity withdrawals are restricted by the provisions of the Rules of the Securities and Exchange Commission.

Under arrangements with clearing organizations, the Company is required to maintain certain minimum levels of capital and comply with other financial ratio requirements. At December 31, 2009, the Company was in compliance with all such requirements.

## Millenco LLC

### Notes to Statement of Financial Condition (continued)

#### **7. Income Taxes**

The Company is organized as a limited liability company and is owned by a single member. As such, it is an entity that is disregarded for income tax purposes and, therefore, not subject to federal, state or local income taxes. Its sole member, however, must reflect all taxable income of the Company on its own income tax returns.

Effective January 1, 2009, the Company adopted certain amended provisions within ASC Topic 740, Income Taxes (ASC 740) which provide authoritative guidance related to the evaluation of uncertain tax positions (formerly known as FASB Interpretation No.48). ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a "more likely than not" threshold would be recorded as a tax expense in the current year. The Company has evaluated its tax positions and has concluded that there are no significant tax positions requiring recognition, measurement or disclosure in the statement of financial condition.

#### **8. Derivative Financial Instruments and Commitments**

Securities sold, not yet purchased represent obligations of the Company to deliver securities at a future date. These transactions result in off-balance sheet risk in an amount by which future market values may exceed the amount reflected in the statement of financial condition. The Company may, at its discretion, purchase the securities at prevailing market prices at anytime.

In the normal course of business, the Company enters into derivative transactions, which include the following financial instruments:

Futures contracts which are commitments to buy or sell at a future date a financial instrument, commodity or currency at a contracted price. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements.

Option contracts which give the purchaser, for a fee, the right, but not the obligation, to buy or sell within a limited time a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

The Company enters into these derivative contracts for proprietary trading purposes and to act as economic hedges to manage risk exposures. Risk exposures are managed through diversification, by controlling position sizes and by entering into offsetting positions. For example, the Company may manage the risk related to a portfolio of common stock by entering into an offsetting position in a related equity-index futures contract.

# Millenco LLC

## Notes to Statement of Financial Condition (continued)

### 8. Derivative Financial Instruments and Commitments (continued)

Credit risk is the risk that counterparties may fail to fulfill their obligations or that the collateral value becomes inadequate. The Company attempts to minimize its credit risk by monitoring the credit exposure with, and the creditworthiness of, counterparties.

The following table sets forth the Company's fair value and the notional amount of derivative contracts at December 31, 2009. The notional amounts disclosed below indicate the volume of the Company's derivative activities.

	<u>Assets</u>		<u>Liabilities</u>	
	<u>Fair Value<sup>(1)</sup></u>	<u>Notional<sup>(2)</sup></u>	<u>Fair Value<sup>(1)</sup></u>	<u>Notional<sup>(2)</sup></u>
<b>Equity Contracts</b>				
Futures	\$ 179	\$ 1,416	\$ 1,747	\$ 124,375
Options	11,327	11,327	432	432
<b>Total Equity Contracts</b>	11,506	12,743	2,179	124,807
<b>Foreign Exchange Contracts</b>				
Futures	9	2,353	2	4,300
<b>Total Foreign Exchange Contracts</b>	9	2,353	2	4,300
<b>Interest Rate Contracts</b>				
Futures	17	2,654	7	94,977
Options	33	33	20	20
<b>Total Interest Rate Contracts</b>	50	2,687	27	94,997
<b>Total</b>	\$11,565	\$ 17,783	\$ 2,208	\$ 224,104

<sup>(1)</sup> The fair value of futures is included in receivable from brokers, dealers and clearing organizations and the fair value of options is included in securities owned or securities sold, not yet purchased in the statement of financial condition.

<sup>(2)</sup> The Company uses fair value as notional amounts to indicate the volume of the Company's trading activities for options.

## Millenco LLC

### Notes to Statement of Financial Condition (continued)

#### **8. Derivative Financial Instruments and Commitments (continued)**

As a writer of options, the Company receives a premium at the outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. As a result of writing option contracts, the Company is obligated to purchase or sell at the holder's option, the underlying financial instrument.

The Company trades and holds certain derivative contracts which constitute guarantees under GAAP. Such contracts consist mainly of written put options. The fair value of all written put options was \$395 at December 31, 2009 and is included in securities sold, not yet purchased, in the statement of financial condition. Written put options require the Company to purchase the underlying financial instruments at the stated exercise price. This is considered an issued market price guarantee in the number of units of the underlying multiplied by the exercise price. As of December 31, 2009, the market value guarantee in the form of written put options was \$65,268. The maximum market value guarantee may be offset by other equities or options.

The Company clears its securities transactions through major financial services firms. Trades pending at December 31, 2009 were settled without adverse effect on the Company's financial condition.

#### **9. Subsequent Events**

Subsequent events were evaluated through February 22, 2010, which is the date the Company's statement of financial condition was available for issuance. Subsequent to December 31, 2009, the Company had capital withdrawals of \$360,000.

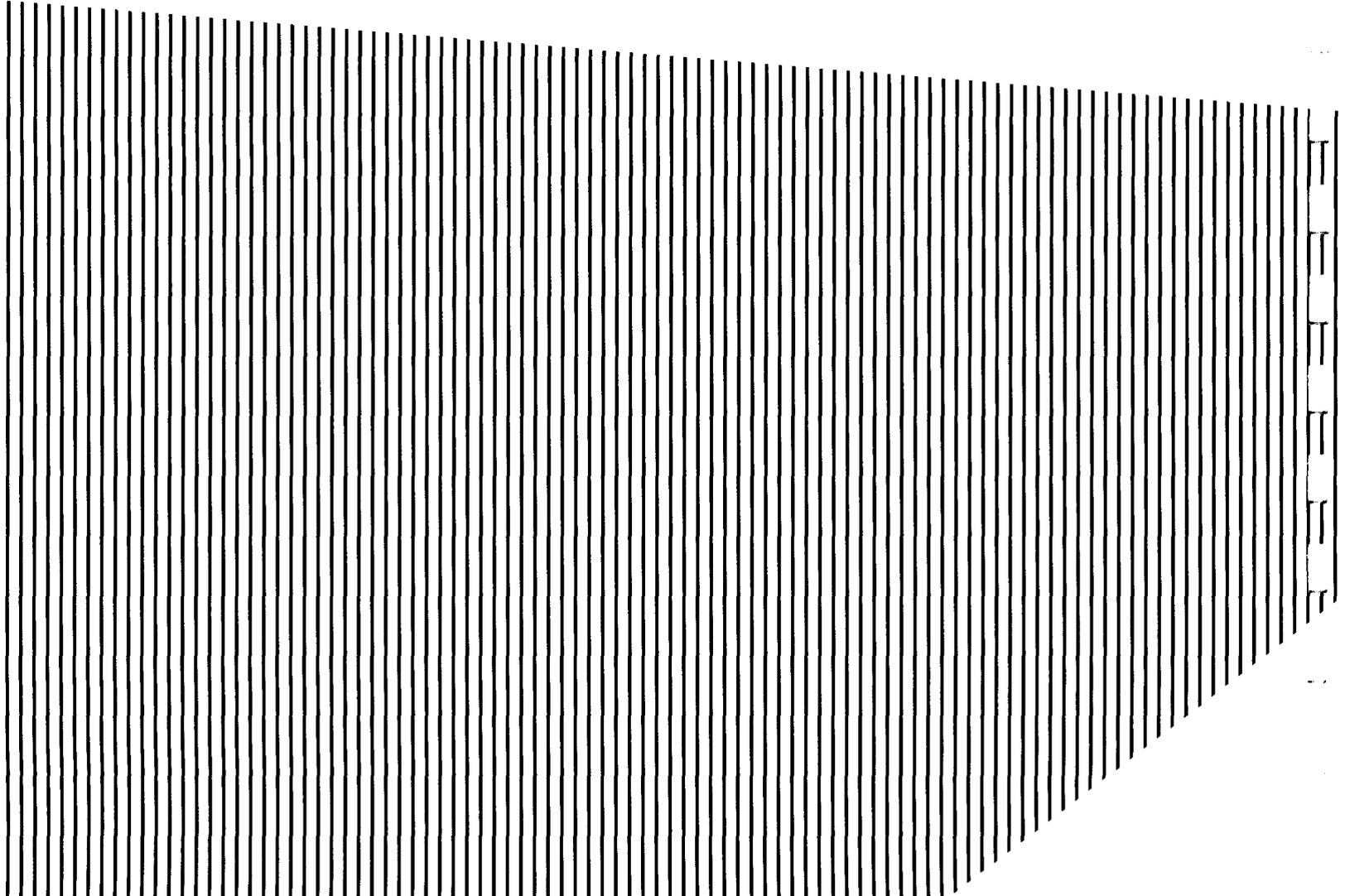
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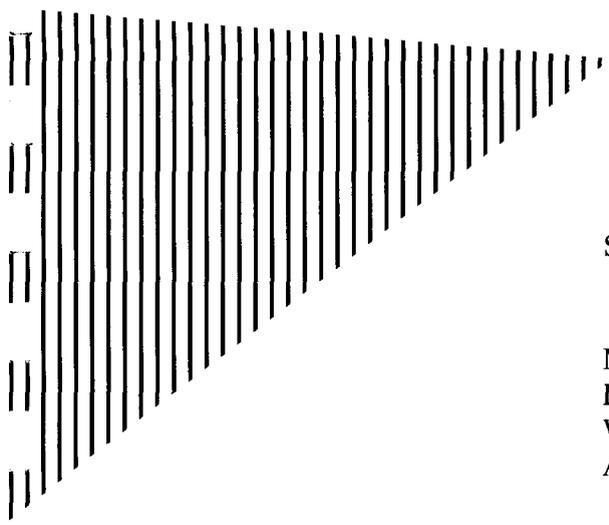
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STATEMENT OF FINANCIAL CONDITION

Millenco LLC  
December 31, 2009  
With Report of Independent Registered Public  
Accounting Firm

Ernst & Young LLP

