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UNIT 10029621

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 01/01/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Archipelago Trading Services, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

100 South Wacker Drive, Suite 1800

(No. and Street)

Chicago

Illinois

60606

(City)

(State)

(Zip Code)

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

Peter F. Lallo

212 656 8609

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCoopers L.L.P

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

300 Madison Avenue

New York

New York

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- 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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Peter F. Lallo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Archipelago Trading Services, Inc., as of February 22, 2010, 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:

NANCY J. GINSBERG
NOTARY PUBLIC, State of New York
No. 01G16048899
Qualified in Richmond County
Commission Expires October 02, 2010

[Signature]
Signature
Financial and Operations Principal
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 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).

Archipelago Trading Services, Inc.

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December 31, 2009

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Report of Independent Auditors

To the Stockholder of Archipelago
Trading Services, Inc.

In our opinion, the accompanying statement of financial condition and the related statements of operations, changes in stockholder's equity and cash flows present fairly, in all material respects, the financial position of Archipelago Trading Services, Inc. (the "Company") at December 31, 2009, 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. 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 of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II 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.

PricewaterhouseCoopers LLP

February 26, 2010

Archipelago Trading Services, Inc.
Statement of Financial Condition
December 31, 2009

(\$ in thousands, except share data)

Assets

Cash and cash equivalents	\$	5,488
Receivables from brokers, dealers and customers (net of allowance for doubtful accounts of \$88)		675
Deferred tax asset		970
Total assets	\$	<u>7,133</u>

Liabilities and Stockholder's Equity

Liabilities

Payables to related parties	\$	1,054
Income tax payable		2,244
Other payables		195
Total liabilities		<u>3,493</u>

Commitments and contingencies (Note 6)

Stockholder's equity

Common stock, \$1 par, 7,500 shares authorized 5,000 shares issued and outstanding		5
Additional paid in capital		3,635
Retained earnings		-
Total stockholder's equity		<u>3,640</u>
Total liabilities and stockholder's equity	\$	<u>7,133</u>

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

Archipelago Trading Services, Inc.
Statement of Operations
Year Ended December 31, 2009

(\$ in thousands)

Revenues	
Activity assessment fees	\$ 166
Commissions	3,252
Interest	20
Total revenues	<u>3,438</u>
Expenses	
Section 31 fees	166
Employee compensation and benefits	393
Routing charges	401
Clearance, brokerage and other transaction expenses	210
Liquidity payments	99
General and administrative	73
Total expenses	<u>1,342</u>
Income before income tax provision	2,096
Income tax provision	749
Net income	<u>\$ 1,347</u>

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

Archipelago Trading Services, Inc.
Statement of Changes in Stockholder's Equity
Year Ended December 31, 2009

(\$ in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance as of December 31, 2008	\$ 5	\$ 5,852	\$ 6,427	\$ 12,284
Net Income	-	-	1,347	1,347
Parent contribution	-	9	-	9
Dividend to Parent	-	(2,226)	(7,774)	(10,000)
Balance as of December 31, 2009	<u>\$ 5</u>	<u>\$ 3,635</u>	<u>\$ -</u>	<u>\$ 3,640</u>

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

Archipelago Trading Services, Inc.
Statement of Cash Flows
Year Ended December 31, 2009

(\$ in thousands)

Cash flows from operating activities	
Net income	\$ 1,347
Adjustments to reconcile net income to net cash provided by operating activities	
Provision for doubtful accounts	2
Deferred tax asset	71
Change in assets and liabilities	
Decrease (increase) in operating assets	
Receivables from brokers, dealers and customers	(105)
Increase (decrease) in operating liabilities	
Payables to related parties	(3,745)
Income tax payable	557
Other payables	(54)
Net cash used in operating activities	<u>(1,927)</u>
Cash flows from financing activities	
Dividend to Parent	(10,000)
Parent contribution	9
Net cash used in financing activities	<u>(9,991)</u>
Net decrease in cash and cash equivalents	(11,918)
Cash and cash equivalents	
Beginning of year	<u>17,406</u>
End of year	<u>\$ 5,488</u>

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

Archipelago Trading Services, Inc.
Notes to Financial Statements
December 31, 2009

(\$ in thousands)

1. Organization

Archipelago Trading Services, Inc. (the "Company"), a Florida corporation, is a registered broker-dealer with the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly-owned subsidiary of Arca-GNC Acquisition, LLC, a Delaware limited liability company, which is in turn a wholly-owned subsidiary of Archipelago Holdings, Inc. (the "Parent"). The Parent became a wholly-owned subsidiary of NYSE Euronext ("NYX"). The Parent owns and operates NYSE Arca LLC ("ArcaEx"), formerly Archipelago Exchange, for trading of equities and the Pacific Exchange for trading of options.

The Company's principal activities consist of the operation of an Alternative Trading System ("ATS") designed particularly to facilitate trading of small-cap securities typically traded on the Over-the-Counter Bulletin Board market.

The Company does not carry security accounts for customers or perform custodial functions relating to customer securities, and, accordingly, is exempt from the provisions of Rule 15c3-3 of the Securities and Exchange Commission ("SEC").

The Company clears all transactions through Archipelago Securities, LLC (the "Clearing Broker"), a wholly-owned subsidiary of the Parent.

2. Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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 as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Accounting Changes

On June 30, 2009 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. ("ASU") 2009-01 to the FASB Accounting Standards Codification ("ASC" or the "Codification") establishing the Codification as the source of authoritative principles and standards recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. SEC rules and interpretative releases continue to be sources of authoritative U.S. GAAP for SEC registrants. Going forward, the FASB will issue ASUs instead of Statements, FASB Staff Positions ("FSPs") or Emerging Issues Task Force ("EITF") abstracts. While not authoritative in their own right, ASUs will serve to update the Codification, provide background information about the guidance, and provide the rationale for the change(s) in the Codification.

The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. References to authoritative accounting guidance made in these financial statements reflect either FASB Codification topic or sub-topic description, as appropriate.

Archipelago Trading Services, Inc.
Notes to Financial Statements
December 31, 2009

(\$ in thousands)

The adoption of the Codification did not have an effect on the Company's financial condition.

Revenue Recognition

Commissions and related brokerage and clearing expenses related to customer transactions are recorded on a trade date basis. Commissions are earned on a per trade basis, based on shares transacted, and are recognized as transactions occur. For each transaction executed, there is an associated liquidity payment or routing charge paid.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments in money market funds are considered to be cash equivalents. The carrying value of such cash equivalents approximates their fair value due to the short-term nature of these instruments. Cash equivalents at December 31, 2009 included \$5,482 invested in tax-exempt money market funds that are governed under Rule 2a-7 of the Investment Company Act of 1940. The Company's cash equivalents are held at an individual U.S. financial institution, which potentially exposes the Company to counterparty risk. Interest income is accrued as earned.

Receivables from Brokers, Dealers and Customers

Receivables consist of accrued commissions for trade executions and amounts due from the Clearing Broker. The Company maintains an allowance for doubtful accounts based upon the estimated collectability of accounts receivable. Additions to (reductions of) the allowance are charged to (reversed against) bad debt expense, which is included in general and administrative expense in the statement of operations.

Estimated Fair Value of Financial Instruments

The Company discloses the fair value of financial instruments, including assets and liabilities recognized in the statement of financial condition. Management estimates that the fair value of financial instruments recognized in the statement of financial condition (including cash and cash equivalents, receivables, payables and accrued expenses) approximates their carrying value. When measuring fair value, the Company identifies three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices for identical instruments in active markets. Level 1 fair values generally are supported by market transactions that occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar instruments, quoted prices in markets that are not active, and inputs to model-derived valuations that are directly observable or can be corroborated by observable market data.
- Level 3: Unobservable inputs supported by little or no market activity and often requiring significant management judgment or estimation, such as an entity's own assumptions about the cash flows or other significant components of value that market participants would use in pricing the asset or liability.

Archipelago Trading Services, Inc.
Notes to Financial Statements
December 31, 2009

(\$ in thousands)

As of December 31, 2009, our cash and cash equivalents of \$5,482 that are classified as Level 1 include investments in money market funds, for which there are quoted prices in active markets.

Income Taxes

Certain income and expense items are accounted for in different periods for income tax purposes than for financial statement purposes. Provisions for deferred taxes are made in recognition of these timing differences.

The Company accounts for income taxes using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns.

3. Related Party Transactions

The clearing fees paid by the Company to the Clearing Broker for the year ended December 31, 2009 amounted to \$32 and are included in Clearance, brokerage and other transaction expenses in the accompanying statement of operations. The Parent employs corporate, marketing, and information technologies staff to support the Company. Under a contract, required by FINRA, the Parent provides the Company with operational and support services. The contract is the Parent Subsidiary Expense Agreement, whereby the Parent shall provide all material hardware, software and personnel necessary to facilitate the operation of the ATS and to provide certain other corporate and business services. The estimated amounts of these expenses totaled approximately \$459.

The agreement was revised effective December 18, 2007 and provides for the Company's expenses and liquidity needs to be met by the Parent without expectation of repayment. Customary and reasonable direct expenses attributable to the Company are recorded as expenses in the Company's financial statements. The Parent retains ownership and control of all such employed hardware, software and personnel and the Company is dependent on the Parent providing the services in order for the Company to carry out its operations.

As part of operations certain cash receipts/disbursements are received through related parties. As of December 31, 2009, the Company has \$572 of a payable related to these transactions recorded in payables to related parties on the statement of financial condition.

4. Credit Risk

In the normal course of business, the Company's activities involve the execution of securities transactions for broker-dealers, which are cleared and settled by the Clearing Broker. Pursuant to the clearing agreement, the Company is required to reimburse the Clearing Broker for any losses incurred due to a counterparty's failure to satisfy its contractual obligations. Therefore, the Company is exposed to risk of loss in the event of the customer's or broker's inability to meet the terms of their contracts. Should the customer or broker fail to perform, the Company may be required to complete the transaction at prevailing market prices. Customer trades pending at December 31, 2009 were settled without an adverse effect on the Company's financial statements taken as a whole.

The Company has credit risk related to transaction fees that are billed to customers on a monthly basis, in arrears. The Company's exposure to credit risk can be directly impacted by volatile

Archipelago Trading Services, Inc.
Notes to Financial Statements
December 31, 2009

(\$ in thousands)

securities markets that may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures and by applying uniform credit standards maintained for all activities with credit risk.

5. Commitments and Contingencies

The Company has agreed to indemnify its clearing broker for losses that it may sustain from customer accounts introduced by the Company. However, in the Company's experience there have not been claims or losses pursuant to these contracts, and the Company expects the risk of loss to be remote. As such, the Company has not recorded any liability related to this indemnification. The Company is unable to quantify the potential exposure related to the indemnification as it constantly fluctuates based on the number and size of the unsettled transactions outstanding and the difference between the contractual trade price and the current fair value of the stock underlying the unsettled transactions.

6. Income Taxes

The income tax provision for the year ended December 31, 2009 consisted of

Current		
Federal	\$	677
State		16
Deferred		
Federal		49
State		7
Income tax provision	\$	<u>749</u>

As of December 31, 2009, the Company had approximately \$2,800 of net operating loss carryforwards, which are set to begin to expire in 2021.

7. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 15 to 1 (the rule also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). Under Rule 15c3-1, the Company is required to maintain minimum net capital equal to the greater of \$5 or 6- 2/3% of aggregate indebtedness. As of December 31, 2009, the Company had net capital of \$2,114 which was \$2,031 in excess of its required net capital of \$83. The ratio of the Company's aggregate indebtedness to net capital was 0.59 to 1.

Supplementary Information

Archipelago Trading Services, Inc.
Computation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange Commission
December 31, 2009

Schedule I

(\$ in thousands)

Net capital before haircuts	<u>2,224</u>
Haircuts on cash equivalents	(110)
Net capital	<u>\$ 2,114</u>
 Computation of aggregate indebtedness	
Total aggregate indebtedness from statement of financial condition	<u>\$ 1,249</u>
 Computation of basic net capital requirements	
Minimum net capital required (the greater of \$5,000 or 6-2/3% of aggregate indebtedness)	\$ 83
Excess net capital	<u>\$ 2,031</u>
Ratio of aggregate indebtedness to net capital	<u>0.59 to 1</u>

There is a difference between total assets and liabilities on the statement of financial condition and the computation of net capital. The difference arises due to a reversal of an adjustment which has been reflected in our 2008 filing and the applicable tax effects.

**Reconciliation with Company's computation (included in Part II of
Form X-17a-5 as of December 31, 2009)**

Net Capital as reported in the Company's Part II (Unaudited) FOCUS report	\$ 1,954
Audit adjustments:	
Bonus adjustment and related tax	160
Net Capital per above	<u>2,114</u>

**Archipelago Trading Services, Inc.
Statement Regarding Rule 15c3-3 of the
Securities and Exchange Commission
December 31, 2009**

Schedule II

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) of that Rule.

To the Member of Archipelago Securities, LLC:

In planning and performing our audit of the financial statements of Archipelago Securities, LLC (the "Company") as of and for the year ended December 31, 2009, 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 (the "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 compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate debits and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e);
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the 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; and
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3;

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 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, 2009 to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, management, 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 that reads "Price Waterhouse Coopers LLP".

February 26, 2010

Report of Independent Accountants

To the Members of the Board of
Archipelago Trading Services, Inc.:

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Transitional Assessment Reconciliation (Form SIPC-7T) of the Securities Investor Protection Corporation (SIPC) of Archipelago Trading Services, Inc. for the period from April 1, 2009 through December 31, 2009, which were agreed to by Archipelago Trading Services, Inc. the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation (collectively, the "specified parties") solely to assist the specified parties in evaluating Archipelago Trading Services' compliance with the applicable instructions of Form SIPC-7T during the year ended December 31, 2009. Management is responsible for Archipelago Trading Services' compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments on page 1 of Form SIPC-7T with the respective cash disbursement records entries as follows:
 - a. Payment \$1,251 on line 2B to check #544861 dated 7/29/2009 in the amount of \$1,251 noting no differences.
 - b. Payment \$3,955 on line 2G to wire confirmation #5751000057JO0000 dated 2/26/2009 in the amount of \$3,955 noting no differences.
2. Compared the Total Revenue reported on page 2, item 2a of Form SIPC-7T as follows:
 - a. Calculated the total revenue of \$2,798,940 per the sum of oracle trial balance account #710001 ACTIVITY ASSESSMENT from April 1, 2009 to December 31, 2009, totaling \$156,244 and oracle trial balance account #712045 - OTCBB REVENUE for the months of April 1, 2009 to December 31, 2009, totaling \$2,642,696 noting no differences.
3. Compared the deduction reported on page 2, items 2c(3) "Commissions, floor brokerage, and clearance paid to other SIPC members in connection with securities transactions" of Form SIPC-7T in the amount of \$716,350 as follows:
 - a. Agreed total commission, floor brokerage and clearance fees of \$716,349 for the period from April 1, 2009 to December 31, 2009 to the following Oracle accounts inclusive of adjusting entries, noting no differences:

Account Number	Description
630185	SECTION 31 FEES
637201	OTCBB POSTING
637306	ECN FEES-NASDAQ
637313	OTHER ROUTING EXPENSES
637311	AMEX DOT

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers obtained in procedure 3, as follows:
- a. Calculations reflected in Form SIPC-7T:
 - i. Recalculated the amount reported on page 2, in the line titled "Total deductions" of \$716,350, noting no differences.
 - ii. Recalculated the amount reported on page 2, Line 2(d) titled "SIPC Net Operating Revenue" of \$2,082,590, noting no differences.
 - iii. Recalculated the amount reported on page 2, Line 2(e) titled "General Assessment at .0025" of \$5,206 noting no difference.
 - iv. Recalculated the amount on page 1, line 2(D) titled "Assessment due (or overpayment)" of \$3,955 by taking the sum of the amounts reported on page 1, lines 2(A) + 2(B), noting no difference.
 - v. Recalculated the amount reported on page 1, line 2(F) titled "Total assessment balance and interest due (or over payment carried over)" of \$3,955 by taking the sum of the amounts reported on page 1, lines 2(D) + 2(E), noting no differences.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's preparation of Form SIPC 7-T in accordance with the applicable instructions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the board of directors of Archipelago Trading Services, Inc., the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.



February 26, 2010

Archipelago Trading Services, Inc.

**Financial Statements and Supplementary
Information Pursuant to Rule 17a-5 of the
Securities and Exchange Act of 1934
December 31, 2009**