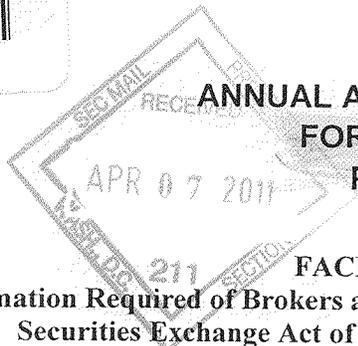


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OMB Number: 3235-0123
Expires: April 30, 2013
Estimated average burden
Hours per response . . . 12.00



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

SEC FILE NUMBER
8 - 52608

1023/4/18

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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

ISEROUTE LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

744 BROAD STREET, SUITE 2300

(No. And Street)

NEWARK,
(City)

NJ
(State)

07102
(Zip Code)

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

JOHN PAUL DEVITO

(973) 368-9094
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report *

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37th Street, 4th Floor
(Address)

NEW YORK
(City)

NY
(State)

10018
(Zip Code)

CHECK ONE:

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

PUBLIC

FOR OFFICIAL USE ONLY

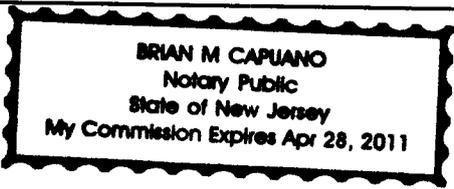
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as basis for the exemption. See section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, JOHN PAUL DEVITO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ISEROUTE LLC, as of DECEMBER 31, 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:



[Handwritten Signature]

Signature

FINOP

Title

[Handwritten 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 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 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 or 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 previous audit.
 - (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

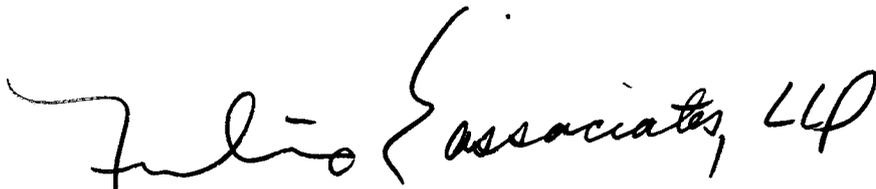
INDEPENDENT AUDITORS' REPORT

To the Member of
ISEROUTE, LLC:

We have audited the accompanying statement of financial condition of ISEROUTE, LLC (the "Company"), as of December 31, 2010 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of ISEROUTE, LLC, as of December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.



New York, New York
April 5, 2011

ISEROUTE, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2010

ASSETS

Cash	\$ 29,006
Due from broker	25,044
Due from affiliates	96,708
Other assets	<u>766</u>
 TOTAL ASSETS	 <u>\$ 151,524</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:

Accounts payable and accrued expenses	\$ 1,370
Due to affiliates	<u>35,441</u>
 TOTAL LIABILITIES	 36,811
 Member's equity	 <u>114,713</u>
 TOTAL LIABILITIES AND MEMBER'S EQUITY	 <u>\$ 151,524</u>

The accompanying notes are an integral part of this financial statement.

ISEROUTE, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2010

NOTE 1. ORGANIZATION

ISEROUTE, LLC (a wholly owned subsidiary of Order Execution Services Holdings, Inc.) (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). The Company was formed under the Limited Liability Company laws of the State of New York. The Company is a single purpose broker-dealer acting as the outbound router exchange facility for the International Securities Exchange ("ISE") and is a member of the ISE.

The Company is dependent on its single-member Parent with respect to its expense sharing agreement. The Parent has experienced net losses and negative cash flows from operating activities. Management has taken steps to reduce its operating losses, including a restructuring in October 2009, which reduced fixed costs by approximately 30 percent, a capital raise that has resulted in net new funding of approximately \$660,000 through March 31, 2011, and restructuring initiatives with respect to its current indebtedness.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Company records proprietary transactions in securities and the related revenue and expenses on a trade-date basis.

In conjunction with the services the Company provides, it is subject to certain fees that it passes along to its customers. Pursuant to FASB Emerging Issues Task Force EITF 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent*, the Company has determined that it is the primary obligor in the arrangement and accordingly includes these amounts in gross revenue and expenses. As such, for the year ended December 31, 2010, \$3,330 is included in commissions and in expenses on the statement of operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

ISEROUTE, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2010
(continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and Credit Policy

Receivables are obligations due from the customer under terms requiring payments up to sixty days from the service date. The Company does not accrue interest on unpaid receivables. Receipts of accounts receivable are allocated to specific invoices identified on the customer's remittance advice or, if unspecified, are applied to earliest unpaid invoices. Customer receivable balances with invoice dates that are over ninety days old are reviewed for delinquency. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. Management concluded that no allowance was necessary at December 31, 2010.

Concentration of Credit Risk

The Company maintains cash balances, with financial institutions in amounts which, at times, are more than amounts insured by the Federal Deposit Insurance Corporation. Management monitors the soundness of these institutions and has not experienced any credit losses with them. As described in Note 1, all of the Company's revenue and receivables are derived from transactions with the International Securities Exchange.

NOTE 3. NET CAPITAL REQUIREMENTS

The Company is subject to SEC Uniform Net Capital 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 times net capital. At December 31, 2010, the Company had net capital of \$12,239, which was \$7,239 in excess of its required net capital of \$5,000.

NOTE 4. OFF-BALANCE SHEET RISK

In the normal course of business, the Company's customer activities include the execution and settlement of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

ISERROUTE, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2010
(continued)

NOTE 5. RELATED PARTY AND AFFILIATED TRANSACTIONS

The Company is a wholly owned subsidiary of Order Execution Services Holdings, Inc. (the "Parent") and shares common management with all of the Parent's other wholly-owned and majority owned subsidiaries, which include: OES Brokerage Services, LLC; Pro Securities, LLC; Order Execution Services, LLC; Princeton Financial Technology Group, LLC and OTR, LLC.

The Company has an expense sharing arrangement with the Parent and the other affiliated companies. Under the provisions of the expense sharing arrangement, certain common expenses are paid by the Parent and an affiliate and allocated to the Company. During the year, the Parent and affiliates paid \$182,048 of general and administrative expenses on behalf of the Company.

Additionally, the Company uses the broker-dealer services of an affiliate to route orders and, as such, incurs clearing and exchange fees. Included in clearing and exchange fees in the statement of operations is \$74,610 charged from this affiliate.

NOTE 6. INCOME TAXES - ALLOCATED FROM PARENT

The Company is a single-member LLC and its taxable income (loss) is included in the Parent's consolidated tax return. The benefit from income taxes presented in the statement of operations represents the Company's share of the Parent's current and deferred income taxes, and is allocated based on an informal tax sharing arrangement, which allocates that benefit or provision based on the Company's taxes as if it filed its own tax returns.

NOTE 7. SUBSEQUENT EVENTS

Subsequent events have been evaluated and no events have been identified which require disclosure.