

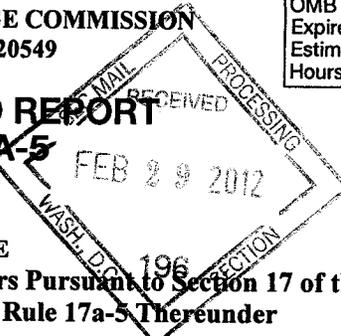


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

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



SEC FILE NUMBER  
8- 53518

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 1/1/2011 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**Toro Trading, LLC**

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

**120 Broadway Floor 20**

(No. and Street)

**New York**

**NY**

**10271**

(City)

(State)

(Zip Code)

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

**Stephen Abramowitz**

**(212) 964-5543**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**MaloneBailey LLP, Certified Public Accounting Firm**

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

**15 Maiden Lane, Ste 1003**

**New York**

**New York**

**10038**

(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)

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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#13

## OATH OR AFFIRMATION

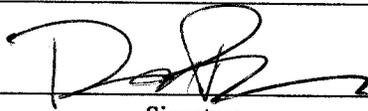
I, Danon Robinson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Toro Trading, LLC, as of December 31, 20 11, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
Brittany Henry  
Notary Public, State of New York  
ID: 01HE6254265  
Qualified in New York County  
Commission Expires 01/17/2016  
\_\_\_\_\_  
Notary Public

  
\_\_\_\_\_  
Signature  
Managing Member  
\_\_\_\_\_  
Title

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 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 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).

**TORO TRADING, LLC**

Statement of Financial Condition

December 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Members of  
Toro Trading, LLC  
New York, New York

We have audited the accompanying statement of assets, liabilities and members' equity of Toro Trading, LLC (the "Company") as of December 31, 2011. 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 Toro Trading, LLC at December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

*Malone Bailey LLP*

February 28, 2012

**TORO TRADING, LLC**

**STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY**

**DECEMBER 31, 2011**

**ASSETS**

Cash and cash equivalents	\$	88,510
Securities owned, at market		167,151,493
JBO investment		10,000
Receivables from customers		1,721
Membership in exchanges		115,000
Fixed assets (less accumulated depreciation of \$189,448)		<u>104,851</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>167,471,575</u></b>

**LIABILITIES AND MEMBERS' EQUITY**

Due to clearing broker	\$	42,786,612
Securities sold, not yet purchased, at market		115,942,080
Accrued expenses		345,899
Interest payable		52,266
Dividends payable		16,671
Accounts payable		<u>20,367</u>
<b>TOTAL LIABILITIES</b>		<b>159,163,895</b>
Commitments and contingent liabilities		-
Members' equity		<u>8,307,680</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$</b>	<b><u>167,471,575</u></b>

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

TORO TRADING, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Organization

Toro Trading LLC (the "Company"), a New York limited liability company, formed in 2001, is registered as a broker-dealer with the Securities and Exchange Commission and is a member of the Chicago Board Options Exchange, Philadelphia Stock Exchange, the combined New York Stock Exchange and American Stock Exchange ("NYSE-AMEX") and New York Stock Exchange – Arca ("NYSE-Arca").

Nature of Business

The Company is engaged in securities trading and market making.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Securities transactions and related income and expenses are recorded daily on a mark to market basis.

Cash and Cash Equivalents

All short-term investments with an original maturity of three months or less are considered to be cash equivalents.

Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

TORO TRADING, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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.

Depreciation

The cost of computers, furniture and equipment is depreciated over the estimated useful lives of the related assets of 3 to 7 years on a straight line basis.

Recent Accounting Pronouncements

The Company does not expect any recent accounting pronouncements to have any material impact on its financial condition or results of operations.

NOTE 3 – FAIR VALUE OF INVESTMENTS

Fair value is an estimate of the exit price, representing the amount that would be received to, sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction cost. Fair value measurement under generally accepted accounting principles provides for use of a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

TORO TRADING, LLC  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2011

NOTE 3 – FAIR VALUE OF INVESTMENTS (continued)

Level 2: Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Company.

Level 3: Unobservable inputs. Unobservable inputs reflect the assumptions that the Company develops based on available information about what market participants would use in valuing the asset or liability.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The Company uses judgment in determining fair value of assets and liabilities and Level 3 assets and liabilities involve greater judgment than Level 1 and Level 2 assets or liabilities.

The following are the Company's investments owned and securities sold short by level within the fair value hierarchy at December 31, 2011.

Assets	Fair Value	Fair Value Hierarchy
Securities Owned	\$ <u>167,151,493</u>	Level 1
Liabilities		
Securities Sold, Not Yet Purchased	\$ <u>115,942,080</u>	Level 1

TORO TRADING, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011

NOTE 4 - NET CAPITAL REQUIREMENTS

The Company is a member firm of the Chicago Board Options Exchange, and is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. Net Capital is defined as at least, the greater of \$100,000 or 6 2/3% of aggregate indebtedness, as defined. Net Capital and aggregate indebtedness change daily. The Company had net capital of \$7,377,113 at December 31, 2011 which exceeded the regulatory requirement of \$100,000 by \$7,277,113. The ratio of aggregate indebtedness to net capital was .0590 to 1 at December 31, 2011.

NOTE 5 - INCOME TAXES

No provisions for federal and state income taxes are made in the financial statements as these taxes are the responsibility of the Company's members under a limited liability corporation.

NOTE 6- OFF BALANCE SHEET RISK

Pursuant to a Joint Back Office ("JBO") Participant's Account Agreement, the Company will give up its clearing member to the clearing corporation for all of its securities transactions. Therefore, all of the customers' money balances and long and short security positions will be maintained on the books of the clearing member in a JBO participant's account. Under certain conditions as defined in the agreement, the Company has agreed to indemnify the clearing member for losses, if any, which the clearing member may sustain from maintaining securities transactions effected by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing member monitor collateral on the securities transactions introduced by the Company.