

FORM  
X-17A-5

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART II 11

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

NAME OF BROKER-DEALER

WEDBUSH SECURITIES INC. 13

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

1000 WILSHIRE BLVD. SUITE 900, ATTN: BUSINESS CONDUCT 20  
(No. and Street)

LOS ANGELES 21 CA 22 90017-2457 23  
(City) (State) (Zip Code)

SEC. FILE NO.

8-12987 14

FIRM ID NO.

877 15

FOR PERIOD BEGINNING (MM/DD/YY)

02/01/14 24

AND ENDING (MM/DD/YY)

02/28/14 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

SHAWM KEAGY - CFO / EVP 30

(213) 688-4516 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES ☒ 40 NO ☐ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT ☐ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 25th day of March 20 14

Manual Signatures of:

- 1) Edward Wedbush  
Principal Executive Officer or Managing Partner - Edward Wedbush
- 2) Shawn Keagy  
Principal Financial Officer or Partner - Shawn Keagy
- 3) Shawn Keagy  
Principal Operations Officer or Partner - Shawn Keagy

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f (a) )

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## PART II

WEDBUSH SECURITIES INC.

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## STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 02/28/14

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## ASSETS

### Allowable

## Nonallowable

Total

1. Cash	\$	14,764,549	200	\$	14,764,549	750
2. Cash segregated in compliance with federal and other regulations		91,021,345	210		91,021,345	760
3. Receivable from brokers or dealers and clearing organizations:						
A. Failed to deliver:						
1. Includable in "Formula for Reserve Requirements"		5,929,979	220			
2. Other		16,000,416	230		21,930,395	770
B. Securities borrowed:						
1. Includable in "Formula for Reserve Requirements"		226,330,909	240			
2. Other		754,753,786	250		981,084,695	780
C. Omnibus accounts:						
1. Includable in "Formula for Reserve Requirements"		0	260			
2. Other		0	270		0	790
D. Clearing Organizations:						
1. Includable in "Formula for Reserve Requirements"		8,590,722	280			
2. Other		52,610,528	290		61,201,250	800
E. Other		375,122	300	\$ 104,361	479,483	810
4. Receivables from customers:						
A. Securities accounts:						
1. Cash and fully secured accounts		247,322,815	310			
2. Partly secured accounts		2,867,968	320	991,980		
3. Unsecured Accounts				6,466,331		
B. Commodity accounts			330			
C. Allowance for doubtful accounts	(	6,154,395	335	( 7,458,311)		
					244,036,388	820
5. Receivables from non-customers:						
A. Cash and fully secured accounts		164,425,367	340			
B. Partly secured and unsecured accounts		0	350		164,425,367	830
6. Securities purchased under agreements to resell		1,960,397,250	360		1,960,397,250	840
7. Securities and spot commodities owned, at market value:						
A. Banker's acceptances, certificates of deposit and commercial paper		100,000,000	370			
B. U.S. and Canadian government obligations		111,878,152	380			
C. State and municipal government obligations		45,849,519	390			
D. Corporate obligations		37,973,292	400			

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

as of 02/28/14

WEDBUSH SECURITIES INC.

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants .....	\$ 171,477,033		410
F. Options .....	11,232,790		420
G. Arbitrage .....			422
H. Other securities .....			424
I. Spot Commodities .....			430
J. Total inventory - includes encumbered securities of ... \$	120		\$ 478,410,786 850
8. Securities owned not readily marketable:			
A. At Cost .....	\$ 130	\$ 610	860
9. Other investments not readily marketable:			
..... \$	140		
B. At estimated fair value .....	450	620	870
10. Securities borrowed under subordination agree-ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities .... \$	150		
B. Other .....	\$ 160	630	880
11. Secured demand notes- market value of collateral:			
A. Exempted securities .... \$	170		
B. Other .....	\$ 180	640	890
12. Memberships in exchanges:			
A. Owned, at market value .....	\$ 190		
B. Owned at cost .....		650	
C. Contributed for use of company, at market value .....		660	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	21,525,507 670	21,525,507 910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization) .....	490	680	920
15. Other Assets:			
A. Dividends and interest receivable .....	3,508,103 500	15,874 690	
B. Free shipments .....		700	
C. Loans and advances .....		710	
D. Miscellaneous .....	5,852,045 530	32,216,074 720	
E. Collateral accepted under SFAS 140 ....			
F. SPE Assets .....			41,592,096 930
16. TOTAL ASSETS .....	\$ 4,027,007,295 540	\$ 53,861,816 740	\$ 4,080,869,111 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 02/28/14

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities *	Non-A.I. Liabilities *	Total
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 0 1460
B. Other .....	1040	1250	134,000,000 1470
18. Securities sold under repurchase agreements.		1260	96,777,333 1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1,963,025 1490
2. Other .....	1060	1280	13,624,218 1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		41,471,287 1510
2. Other .....	1080	1290	577,138,060 1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		0 1530
2. Other .....	1095	1300	0 1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		1,721,354 1550
2. Other .....	1105	1310	1,019,827 1560
E. Other .....	1110	1320	142,462 1570
20. Payable to customers:			
A. Securities accounts - including free credits of ..... \$ 1,649,028,215	950 1120		2,164,811,359 1580
B. Commodities accounts .....	1130	1330	0 1590
21. Payable to non customers:			
A. Securities accounts .....	1140	1340	321,870,713 1600
B. Commodities accounts .....	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of ..... \$	960	1360	386,549,479 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		19,825,828 1630
B. Accounts payable .....	1170		11,445,060 1640
C. Income taxes payable .....	1180		16,955 1650
D. Deferred income taxes .....		1370	0 1660
E. Accrued expenses and other liabilities ..	1190		48,621,391 1670
F. Other .....	1200	1380	1680
G. Obligation to return securities .....		1386	1686
H. SPE Liabilities .....		1387	1687

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\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
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BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 02/28/14

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY (continued)

	Liabilities	A.I. Liabilities *	Non-A.I. Liabilities *	Total
24. Notes and mortgages payable:				
A. Unsecured .....	\$ 1210		\$ 1690	
B. Secured .....	1211	\$ 1390	1700	
25. Liabilities subordinated to claims of general creditors:				
A. Cash borrowings: .....		1400	1710	
1. from outsiders \$ 0970				
2. Includes equity subordination(15c3-1(d)) of ..... \$ 0980				
B. Securities borrowings, at market value: .....		1410	1720	
from outsiders \$ 0990				
C. Pursuant to secured demand note collateral agreements: .....		1420	1730	
1. from outsiders \$ 1000				
2. Includes equity subordination(15c3-1(d)) of ..... \$ 1010				
D. Exchange memberships contributed for use of company, at market value .....		1430	1740	
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750	
26. TOTAL LIABILITIES .....	\$ 1230	\$ 1450	\$ 3,820,998,351	1760
<u>Ownership Equity</u>				
27. Sole proprietorship .....			\$ 1770	
28. Partnership - limited partners .....\$ 1020			1780	
29. Corporation: .....				
A. Preferred stock .....			0	1791
B. Common stock .....			700,000	1792
C. Additional paid- in capital .....			11,035,661	1793
D. Retained Earnings .....			249,857,361	1794
E. Total .....			261,593,022	1795
F. Less capital stock in treasury .....			( 1,722,262 )	1796
30. TOTAL OWNERSHIP EQUITY .....			\$ 259,870,760	1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 4,080,869,111	1810

OMIT PENNIES

\* Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 02/28/14

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	259,870,760	3480
2. Deduct: Ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		259,870,760	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)		6,154,395	3525
5. Total capital and allowable subordinated liabilities	\$	266,025,155	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	53,861,816	3540
1. Additional charges for customers' and non-customers' security accounts		50,178,224	3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:		457,583	3570
1. number of items	202		3450
C. Aged short security differences-less reserve of	\$		3580
number of items			3470
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities - proprietary capital charges			3600
F. Other deductions and/or charges		210,494	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			3615
H. Total deductions and/or charges	(	104,708,117	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	161,317,038	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$	0	3660
B. Subordinated securities borrowings		0	3670
C. Trading and investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper		500,000	3680
2. U.S. and Canadian government obligations		2,610,139	3690
3. State and municipal government obligations		3,769,709	3700
4. Corporate obligations		3,626,941	3710
5. Stocks and warrants		39,937,698	3720
6. Options		0	3730
7. Arbitrage			3732
8. Other securities			3734
D. Undue concentration		862,995	3650
E. Other (List)			3736
10. Net Capital	\$	110,009,556	3740

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT**  
**PART II**

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 02/28/14

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimal net capital required (6-2/3% of line 19)	\$	<u>3756</u>
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	<u>3758</u>
13. Net capital requirement (greater of line 11 or 12)	\$	<u>3760</u>
14. Excess net capital (line 10 less 13)	\$	<u>3770</u>
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	<u>3780</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	<u>3790</u>
17. Add:		
A. Drafts for immediate credit	\$	<u>3800</u>
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	<u>3810</u>
C. Other unrecorded amounts (List)	\$	<u>3820</u>
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts(15c3-1(c)(1)(vii))	\$	<u>3838</u>
19. Total aggregate indebtedness	\$	<u>3840</u>
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	<u>3850</u>
21. Percentage of aggregate indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 divided by line 10 less item 4880 page 12)	%	<u>3853</u>

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	<u>9,380,088</u>	<u>3870</u>
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)	\$	<u>1,000,000</u>	<u>3880</u>
24. Net capital requirement (greater of line 22 or 23)	\$	<u>9,380,088</u>	<u>3760</u>
25. Excess net capital (line 10 less 24)	\$	<u>100,629,468</u>	<u>3910</u>
26. Percentage of Net Capital to Aggregate Debits (line 10 divided by line 18 page 8)	%	<u>23.46</u>	<u>3851</u>
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 10 less Item 4880 page 12 divided by line 17 page 8)	%	<u>23.46</u>	<u>3854</u>
28. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	<u>86,559,336</u>	<u>3920</u>

**OTHER RATIOS**

**Part C**

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	<u>0.00</u>	<u>3860</u>
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%		<u>3852</u>

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternate method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of

02/28/14

STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION  
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES

SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)

1. Net ledger balance		
A. Cash	\$	7010
B. Securities (at market)		7020
2. Net unrealized profit (loss) in open futures contracts traded on a contract market		7030
3. Exchange traded options		
A. Add market value of open option contracts purchased on a contract market		7032
B. Deduct market value of open option contracts granted (sold) on a contract market	(	7033
4. Net equity (deficit) (add lines 1, 2, and 3)		7040
5. Accounts liquidating to a deficit and accounts with debit balances		
- gross amount		7045
Less: amount offset by customer owned securities	(	7047
6. Amount required to be segregated (add lines 4 and 5)	\$	7060

FUNDS IN SEGREGATED ACCOUNTS

7. Deposited in segregated funds bank accounts		
A. Cash		7070
B. Securities representing investments of customers' funds (at market)		7080
C. Securities held for particular customers or option customers in lieu of cash (at market)		7090
8. Margins on deposit with derivatives clearing organizations of contract markets		
A. Cash	\$	7100
B. Securities representing investments of customers' funds (at market)		7110
C. Securities held for particular customers or option customers in lieu of cash (at market)		7120
9. Net settlement from (to) derivatives clearing organizations of contract markets		7130
10. Exchange traded options		
A. Value of open long option contracts		7132
B. Value of open short option contracts	(	7133
11. Net equities with other FCMs		
A. Net liquidating equity		7140
B. Securities representing investments of customers' funds (at market)		7160
C. Securities held for particular customers or option customers in lieu of cash (at market)		7170
12. Segregated funds on hand (describe: _____)		7150
13. Total amount in segregation (add lines 7 through 12)		7180
14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)	\$	7190
15. Management Target Amount for Excess funds in segregation	\$	7194
16. Excess (deficiency) funds in segregation over (under) Management Target Amount Excess	\$	7198



SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 02/28/14

STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION  
FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS

1. Amount required to be segregated in accordance

with Commission regulation 32.6

\$ 7200

2. Funds in segregated accounts

A. Cash

\$ 7210

B. Securities (at market)

7220

C. Total

7230

3. Excess (deficiency) funds in segregation

(subtract line 2.C from line 1)

\$ 7240

SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER  
WEDBUSH SECURITIES INC.

as of 02/28/14

STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS  
PURSUANT TO COMMISSION REGULATION 30.7

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS

Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder	\$		7305
1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers			
A. Cash	\$		7315
B. Securities (at market)			7317
2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade			7325
3. Exchange traded options			
A. Market value of open option contracts purchased on a foreign board of trade			7335
B. Market value of open contracts granted (sold) on a foreign board of trade			7337
4. Net equity (deficit) (add lines 1, 2, and 3.)	\$		7345
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	\$		7351
Less: amount offset by customer owned securities	(		7352
6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5)	\$		7355
7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6.	\$		7360

SUPPLEMENT TO  
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WEDBUSH SECURITIES INC.

as of 02/28/14

STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS  
PURSUANT TO COMMISSION REGULATION 30.7

FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS

1. Cash in banks			
A. Banks located in the United States	\$		7500
B. Other banks qualified under Regulation 30.7			
Name(s):		7510	7520
	\$		7530
2. Securities			
A. In safekeeping with banks located in the United States	\$		7540
B. In safekeeping with other banks qualified under Regulation 30.7			
Name(s):		7550	7560
			7570
3. Equities with registered futures commission merchants			
A. Cash	\$		7580
B. Securities			7590
C. Unrealized gain (loss) on open futures contracts			7600
D. Value of long option contracts			7610
E. Value of short option contracts	(		7615
			7620
4. Amounts held by clearing organizations of foreign boards of trade			
Name(s):			7630
A. Cash	\$		7640
B. Securities			7650
C. Amount due to (from) clearing organizations - daily variation			7660
D. Value of long option contracts			7670
E. Value of short option contracts	(		7675
			7680
5. Amounts held by members of foreign boards of trade			
Name(s):			7690
A. Cash	\$		7700
B. Securities			7710
C. Unrealized gain (loss) on open futures contracts			7720
D. Value of long option contracts			7730
E. Value of short option contracts	(		7735
			7740
6. Amounts with other depositories designated by a foreign board of trade			
Name(s):			7750
			7760
7. Segregated funds on hand (describe: )			
			7765
8. Total funds in separate section 30.7 accounts			
	\$		7770
9. Excess (deficiency) set Aside Funds for Secured Amount (subtract Line 7 Secured Statement page T10-3 from Line 8)			
	\$		7380
10. Management Target Amount for Excess funds in separate section 30.7 accounts			
	\$		7780
11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target			
	\$		7785