

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FOCUS REPORT

(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)

PART II ☐ 11

FORM  
X-17A-5

(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)

01/01/14 ☐ 24

AND ENDING (MM/DD/YY)

03/31/14 ☐ 25

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

SHAWN KEAGY - EVP / CFO ☐ 30

(213) 688-4516 ☐ 31

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

OFFICIAL USE

☐ 32

☐ 33

☐ 34

☐ 35

☐ 36

☐ 37

☐ 38

☐ 39

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

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT ☐ 42

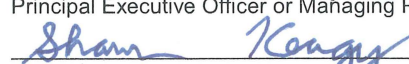
EXECUTION:


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 24th day of April 20 14

Manual Signatures of:

1)   
Principal Executive Officer or Managing Partner Edward Wedbush

2)   
Principal Financial Officer or Partner - Shawn Keagy

3)   
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. 78:f (a) )

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## PART II

WEDBUSH SECURITIES INC.

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## STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 03/31/14

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## ASSETS

### Allowable

### Nonallowable

Total

1. Cash	\$	12,001,506	200	\$	12,001,506	750	
2. Cash segregated in compliance with federal and other regulations		60,758,666	210		60,758,666	760	
3. Receivable from brokers or dealers and clearing organizations:							
A. Failed to deliver:							
1. Includable in "Formula for Reserve Requirements"		6,440,181	220				
2. Other		8,029,420	230		14,469,601	770	
B. Securities borrowed:							
1. Includable in "Formula for Reserve Requirements"		193,007,932	240				
2. Other		478,792,408	250		671,800,340	780	
C. Omnibus accounts:							
1. Includable in "Formula for Reserve Requirements"			260				
2. Other			270			790	
D. Clearing Organizations:							
1. Includable in "Formula for Reserve Requirements"		9,616,555	280				
2. Other		25,623,369	290		35,239,924	800	
E. Other		393,632	300	\$ 87,810	481,442	810	
4. Receivables from customers:							
A. Securities accounts:							
1. Cash and fully secured accounts		291,761,699	310				
2. Partly secured accounts		2,732,191	320	994,554	560		
3. Unsecured Accounts				6,467,525	570		
B. Commodity accounts			330		580		
C. Allowance for doubtful accounts	(	6,164,692	335	( 7,462,079)	590	288,329,198	820
5. Receivables from non-customers:							
A. Cash and fully secured accounts		158,021,518	340				
B. Partly secured and unsecured accounts			350		600	158,021,518	830
6. Securities purchased under agreements to resell		1,981,469,844	360		605	1,981,469,844	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		118,775,259	380				
C. State and municipal government obligations		44,296,210	390				
D. Corporate obligations		31,943,695	400				

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

as of 03/31/14

WEDBUSH SECURITIES INC.

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants .....	\$ 161,057,986		410
F. Options .....	18,189,632		420
G. Arbitrage .....			422
H. Other securities .....			424
I. Spot Commodities .....			430
J. Total inventory - includes encumbered securities of ... \$	120		\$ 474,262,782 850
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	17,511,657 670	17,511,657 910
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 .....	4,096,513 500	25,101 690	
B. Free shipments .....	510	700	
C. Loans and advances .....	520	710	
D. Miscellaneous .....	16,418,850 530	30,703,615 720	
E. Collateral accepted under SFAS 140 ....	536		
F. SPE Assets .....	537		51,244,079 930
16. TOTAL ASSETS .....	\$ 3,717,262,374 540	\$ 48,328,183 740	\$ 3,765,590,557 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER	as of
WEDBUSH SECURITIES INC.	03/31/14

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	\$ 1460
B. Other .....	1040	1250	14,000,000 1470
18. Securities sold under repurchase agreements.		1260	98,565,047 1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	7,312,471 1490
2. Other .....	1060	1280	6,244,164 1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		98,173,644 1510
2. Other .....	1080	1290	445,878,910 1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		2,728,464 1550
2. Other .....	1105	1310	1,560,766 1560
E. Other .....	1110	1320	274,497 1570
20. Payable to customers:			
A. Securities accounts - including free credits of ..... \$ 1,639,866,148	950 1120		2,210,409,891 1580
B. Commodities accounts .....	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts .....	1140	1340	298,822,929 1600
B. Commodities accounts .....	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of ..... \$	960	1360	256,066,328 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		18,379,425 1630
B. Accounts payable .....	1170		14,023,473 1640
C. Income taxes payable .....	1180		16,955 1650
D. Deferred income taxes .....		1370	1660
E. Accrued expenses and other liabilities ..	1190		33,019,285 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  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 03/31/14

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	\$ 3,505,476,249	1760
<u>Ownership Equity</u>				
27. Sole proprietorship .....			\$ 1770	
28. Partnership - limited partners .....\$ 1020			1780	
29. Corporation: .....				
A. Preferred stock .....			1791	
B. Common stock .....			700,000	1792
C. Additional paid- in capital .....			11,055,759	1793
D. Retained Earnings .....			250,080,811	1794
E. Total .....			261,836,570	1795
F. Less capital stock in treasury .....			( 1,722,262 )	1796
30. TOTAL OWNERSHIP EQUITY .....			\$ 260,114,308	1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 3,765,590,557	1810

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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  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 03/31/14

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	260,114,308	3480
2. Deduct: Ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		260,114,308	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)		6,164,692	3525
5. Total capital and allowable subordinated liabilities	\$	266,279,000	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	48,328,183	3540
1. Additional charges for customers' and non-customers' security accounts		50,558,862	3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:		639,666	3570
1. number of items	113		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		863,143	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	(	100,389,854	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	165,889,146	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$		3660
B. Subordinated securities borrowings			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		2,280,735	3690
3. State and municipal government obligations		2,747,181	3700
4. Corporate obligations		2,662,344	3710
5. Stocks and warrants		27,729,298	3720
6. Options			3730
7. Arbitrage			3732
8. Other securities			3734
D. Undue concentration		690,361	3650
E. Other (List)			3736
10. Net Capital	\$	129,279,227	3740

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

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 03/31/14

**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>9,626,318</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>9,626,318</u>	<u>3760</u>
25. Excess net capital (line 10 less 24)	\$	<u>119,652,909</u>	<u>3910</u>
26. Percentage of Net Capital to Aggregate Debits (line 10 divided by line 18 page 8)	%	<u>26.86</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>26.86</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>105,213,433</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 03/31/14

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 03/31/14

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 03/31/14

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  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 03/31/14

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