

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

FORM
X-17A-5

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)

10/01/13

24

AND ENDING (MM/DD/YY)

12/31/13

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

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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 27th day of January 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))

FINRA

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

N 2

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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 12/31/13

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Consolidated

198

Unconsolidated

X

199

ASSETS

Allowable

Nonallowable

Total

1. Cash	\$	70,198,744	200		\$	70,198,744	750	
2. Cash segregated in compliance with federal and other regulations		100,380,410	210			100,380,410	760	
3. Receivable from brokers or dealers and clearing organizations:								
A. Failed to deliver:								
1. Includable in "Formula for Reserve Requirements"		3,591,953	220					
2. Other		2,271,612	230			5,863,565	770	
B. Securities borrowed:								
1. Includable in "Formula for Reserve Requirements"		232,566,013	240					
2. Other		703,993,805	250			936,559,818	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"		6,856,415	280					
2. Other		46,070,181	290			52,926,596	800	
E. Other		157,137	300	\$	89,206	550	246,343	810
4. Receivables from customers:								
A. Securities accounts:								
1. Cash and fully secured accounts		242,526,084	310					
2. Partly secured accounts		2,390,910	320		988,576	560		
3. Unsecured Accounts					6,422,969	570		
B. Commodity accounts			330			580		
C. Allowance for doubtful accounts	(	6,173,199	335	(	7,411,545	590	238,743,795	820
5. Receivables from non-customers:								
A. Cash and fully secured accounts		202,988,692	340					
B. Partly secured and unsecured accounts			350			600	202,988,692	830
6. Securities purchased under agreements to resell		1,755,301,875	360			605	1,755,301,875	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		113,945,360	380					
C. State and municipal government obligations		36,239,940	390					
D. Corporate obligations		43,800,006	400					

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

as of 12/31/13

WEDBUSH SECURITIES INC.

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

	Allowable	Nonallowable	Total
E. Stocks and warrants	\$ 159,323,410		410
F. Options	16,734,596		420
G. Arbitrage	0		422
H. Other securities	0		424
I. Spot Commodities	0		430
J. Total inventory - includes encumbered securities of ... \$	120		\$ 470,043,312 850
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 agreements 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	22,416,653 670	22,416,653 910
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	3,567,398 500	31,318 690	
B. Free shipments	510	700	
C. Loans and advances	520	710	
D. Miscellaneous	4,746,621 530	31,283,357 720	
E. Collateral accepted under SFAS 140	536		
F. SPE Assets	537		39,628,694 930
16. TOTAL ASSETS	\$ 3,841,477,963 540	\$ 53,820,534 740	\$ 3,895,298,497 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER	as of
WEDBUSH SECURITIES INC.	12/31/13

STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I.</u> <u>Liabilities</u> *	<u>Non-A.I.</u> <u>Liabilities</u> *	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements"	\$ 1030	\$ 1240	\$ 0 1460
B. Other	1040	1250	0 1470
18. Securities sold under repurchase agreements.		1260	90,435,075 1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements"	1050	1270	896,975 1490
2. Other	1060	1280	1,468,385 1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements"	1070		34,454,897 1510
2. Other	1080	1290	504,253,283 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		5,302,566 1550
2. Other	1105	1310	25,682,849 1560
E. Other	1110	1320	151,272 1570
20. Payable to customers:			
A. Securities accounts - including free credits of \$ 1,650,507,633 950	1120		2,173,463,323 1580
B. Commodities accounts	1130	1330	0 1590
21. Payable to non customers:			
A. Securities accounts	1140	1340	372,251,395 1600
B. Commodities accounts	1150	1350	0 1610
22. Securities sold not yet purchased at market value - including arbitrage of \$ 960		1360	351,722,303 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		19,245,844 1630
B. Accounts payable	1170		15,118,211 1640
C. Income taxes payable	1180		16,955 1650
D. Deferred income taxes		1370	0 1660
E. Accrued expenses and other liabilities ..	1190		36,149,871 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 12/31/13

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	\$ 3,630,613,204	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			10,983,571	1793
D. Retained Earnings			254,723,984	1794
E. Total			266,407,555	1795
F. Less capital stock in treasury			(1,722,262)	1796
30. TOTAL OWNERSHIP EQUITY			\$ 264,685,293	1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 3,895,298,497	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 12/31/13

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	264,685,293	3480
2. Deduct: Ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		264,685,293	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)		6,173,199	3525
5. Total capital and allowable subordinated liabilities	\$	270,858,492	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	53,820,534	3540
1. Additional charges for customers' and non-customers' security accounts		47,937,129	3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:		279,486	3570
1. number of items	108		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		550,409	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	(	102,587,558	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	168,270,934	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		1,500,000	3680
2. U.S. and Canadian government obligations		5,924,150	3690
3. State and municipal government obligations		3,788,706	3700
4. Corporate obligations		3,704,863	3710
5. Stocks and warrants		38,878,196	3720
6. Options		0	3730
7. Arbitrage		0	3732
8. Other securities		0	3734
D. Undue concentration		596,049	3650
E. Other (List)		0	3736
10. Net Capital	\$	113,878,970	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 12/31/13

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>9,540,711</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>9,540,711</u>	<u>3760</u>
25. Excess net capital (line 10 less 24)	\$	<u>104,338,259</u>	<u>3910</u>
26. Percentage of Net Capital to Aggregate Debits (line 10 divided by line 18 page 8)	%	<u>23.87</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>23.87</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>90,027,193</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 12/31/13

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	\$	<u>7010</u>
B. Securities (at market)		<u>7020</u>
2. Net unrealized profit (loss) in open futures contracts traded on a contract market		<u>7030</u>
3. Exchange traded options		
A. Add market value of open option contracts purchased on a contract market		<u>7032</u>
B. Deduct market value of open option contracts granted (sold) on a contract market	(	<u>7033</u>)
4. Net equity (deficit) (add lines 1, 2, and 3)		<u>7040</u>
5. Accounts liquidating to a deficit and accounts with debit balances		
- gross amount	<u>7045</u>	
Less: amount offset by customer owned securities	(<u>7047</u>)	<u>7050</u>
6. Amount required to be segregated (add lines 4 and 5)	\$	<u>7060</u>

FUNDS IN SEGREGATED ACCOUNTS

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

BROKER OR DEALER	as of	12/31/13
WEDBUSH SECURITIES INC.		

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

12/31/13

STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS
PURSUANT TO COMMISSION REGULATION 30.7

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS - SUMMARY

I. Check the appropriate box to identify the amount shown on line 1. below.

- ☐ 7300 Secured amounts in only U.S. - domiciled customers' accounts
- ☐ 7310 Secured amounts in U.S. and foreign - domiciled customers' accounts
- ☐ 7320 Net liquidating equities in all accounts of customers
trading on foreign boards of trade
- ☐ 7330 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.

II. Has the FCM changed the method of calculating the amount to be set aside in separate accounts since the last financial report it filed ?

- ☐ Yes 7340 If yes, explain the change below
- ☐ No 7350

1. Amount to be set aside in separate section
30.7 accounts

\$ _____ 7360

2. Total funds in separate section 30.7 accounts
(page T10-4, line 8)

_____ 7370

3. Excess (deficiency) - (subtract line 1 from line 2)

\$ _____ 7380

SUPPLEMENT TO
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER

WEDBUSH SECURITIES INC.

as of 12/31/13

STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS
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 designated by the Commission

Name(s): 7510 7520 \$ 7530

2. Securities

A. In safekeeping with banks located in the United States

\$ 7540

B. In safekeeping with other banks designated by the Commission

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 (to page T10-3 line 2) \$ 7770

A. If any securities shown are other than the types of securities referred to in CFTC Regulation 1.25, attach a separate schedule detailing the obligations shown on each such line.