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

SEC FILE NUMBER
8- 44509

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 January 1, 2004 AND ENDING December 31, 2004  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Globalink Securities, Inc.**

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

234 E. Colorado Boulevard, Suite M105

(No. and Street)

Pasadena,

California

91101

(City)

(State)

(Zip Code)

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

Jun-Hua Liao

626-964-5966

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

George Brenner, CPA A Professional Corporation

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

10680 W. Pico Boulevard, Suite 260

Los Angeles, CA

90064

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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\*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)

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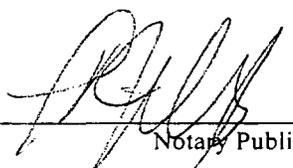
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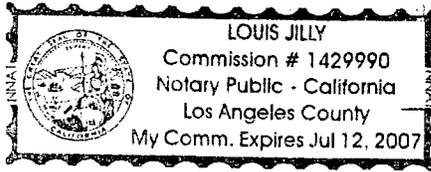
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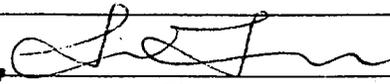
OATH OR AFFIRMATION

I, Jun-Hua Liao, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Globalink Securities, Inc., as of December 31, 2004, 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:

None

  
Notary Public





Signature

President

Title

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 Proprietors' 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 15c3-3 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
- (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).

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2004

GLOBALINK SECURITIES, INC.  
234 E. COLORADO BOULEVARD, SUITE M105  
PASADENA, CALIFORNIA 91101

## CONTENTS

### PART I

Report of Independent Auditor	1
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Shareholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

### SCHEDULES

Computation of Net Capital Pursuant to Rule 15c3-1	9 - 10
Revenue and Operating Expenses	11 - 12

### PART II

Statement of Internal Control	13 - 14
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**George Brenner, CPA**  
A Professional Corporation  
10680 W. PICO BOULEVARD, SUITE 260  
LOS ANGELES, CALIFORNIA 90064  
310/202-6445 – Fax 310/202-6494

REPORT OF INDEPENDENT AUDITOR

Board of Directors  
Globalink Securities, Inc.  
Pasadena, California

I have audited the accompanying statement of financial condition of Globalink Securities, Inc. (the Company) as of December 31, 2004 and the related statements of operations, changes in shareholders' equity and cash flows for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2004 and the results of its operations, stockholders' equity and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



George Brenner, C.P.A.

Los Angeles, California  
February 18, 2005

**GLOBALINK SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2004**

**ASSETS**

Cash - checking	\$ 38,824
Clearing broker's deposits	189,661
Commissions receivable	49,379
Property and equipment net of \$54,217 depreciation	43,365
Other assets - nonallowable	<u>18,626</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 339,855</u></b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**LIABILITIES**

Commissions payable	37,539
Accounts payable	17,917
Loan payable - related parties	<u>150,000</u>

**TOTAL LIABILITIES** 205,456

**SHAREHOLDERS' EQUITY**

Common stock - (\$10 par value, 5,000 shares authorized, issued and outstanding)	50,000
Paid-in capital	2,167,830
Retained earnings (Deficit)	<u>(2,083,431)</u>
	<u>134,399</u>

**TOTAL LIABILITIES AND  
SHAREHOLDERS' EQUITY** \$ 339,855

See Accompanying Notes to Financial Statements

**GLOBALINK SECURITIES, INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

REVENUES – Schedule, Page 12	<u>\$ 906,025</u>
COST OF SALES	
Clearing house expense	174,306
Commissions – processing fee	37,108
Commissions	<u>440,921</u>
TOTAL COSTS	<u>652,335</u>
GROSS PROFIT	253,690
OPERATING EXPENSES - Schedule, Page 12	<u>280,652</u>
INCOME (LOSS) BEFORE TAX PROVISION	( 26,962)
INCOME TAX PROVISION	<u>800</u>
NET INCOME (LOSS)	<u><u>\$( 27,762)</u></u>

See Accompanying Notes to Financial Statements

**GLOBALINK SECURITIES, INC.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Common Stock <u>Shares</u>	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	<u>Total</u>
Balance, December 31, 2003	5,000	\$50,000	\$2,132,466	\$(2,055,669)	\$126,797
Capital Contributed			35,364		35,364
Net Income (Loss)	_____	_____	_____	( 27,762)	( 27,762)
Balance, December 31, 2004	<u>5,000</u>	<u>\$50,000</u>	<u>\$2,167,830</u>	<u>\$(2,083,431)</u>	<u>\$134,399</u>

See Accompanying Notes to Financial Statements

**GLOBALINK SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (loss)	\$( 27,762)
Depreciation	12,036
Changes in operating assets and liabilities:	
Clearing brokers' accounts	( 109,434)
Commissions receivable	( 14,299)
Non allowable assets	14,367
Commissions payable	7,825
Accounts payable	( 11,558)
CRD deposit	( 2,854)
Loan payable	( 5,000)
Settlement payable	<u>( 10,000)</u>
Net cash provided (used) in operating activities	<u>( 146,679)</u>

**CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of property equipment	<u>( 2,583)</u>
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**CASH FLOW FROM FINANCING ACTIVITIES**

Contribution of Capital	35,364
Loan – Related Party	<u>150,000</u>
Total Financing Activities	<u>185,364</u>

**NET INCREASE (DECREASE) IN CASH**

	36,102
Cash: Beginning of the Year	<u>2,722</u>
Cash: End of the Year	<u>\$ 38,824</u>

**SUPPLEMENTAL CASH FLOW INFORMATION**

Interest paid	<u>\$ --</u>
Income taxes paid	<u>\$ 800</u>

See Accompanying Notes to Financial Statements

GLOBALINK SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004

NOTE 1 - NATURE OF THE BUSINESS

Globalink Securities, Inc. (the Company), formerly Palm Springs Retirement Investments Corporation (PSRIC), was incorporated in the State of California on January 3, 1992 and is registered as a broker-dealer in securities under the Securities Exchange Act of 1934. The Company, in connection with its activities as a broker-dealer, holds no funds or securities for customers. The Company executes and clears all of its transactions through its two clearing brokers on a fully disclosed basis and, accordingly, is exempt from the provisions of Rule 15c3-3 under Subparagraph (k)(2)(ii).

The stock of PSRIC was purchased on July 16, 1997 by Wall Street Holding Company (WSHC), the parent company of Globalink Securities, Inc.

On August 1, 2002, the stock of WSHC was purchased by a sole shareholder.

In 2003 the Company returned, to the above sole shareholder, the majority amount of his capital and then a group of new investors took control of the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) **Revenue Recognition** - The Company recognizes revenue on a settlement date basis.

B) **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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C) **Income Taxes** - Income taxes are provided based on earnings reported for financial statement purposes. In accordance with FASB Statement No. 109, the asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax basis and financial reporting basis of assets and liabilities, however, see Note 4.

GLOBALINK SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004

NOTE 3 – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital (\$5,000) as defined under such provisions or 6.67% of aggregate indebtedness which ever is higher. See Page 9 for the computation of net capital.

In 2002, the Company's net capital requirement was decreased from \$100,000 to \$25,000 and then to \$5,000.

NOTE 4 - INCOME TAXES

The Company files its Federal and state tax returns on the cash basis. Because of the loss, there is no Federal income tax and a minimum state tax of \$800.

Because of the changes in ownership (See Note 1) the Company's historical losses (NOL's) get substantially reduced.

NOTE 5 - OFF BALANCE SHEET RISK

As discussed in Note 1, the customers' securities transactions are introduced on a fully disclosed basis with its clearing broker. The clearing broker carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance sheet risk exists with respect to the transactions due to the possibility that customers may charge any losses they incur to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and to ensure that customer transactions are executed properly by the clearing broker.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

**Leases** - The Company subleases office space at its headquarters in Pasadena, California. The lease began September 15, 2002 and terminates January 31, 2005. Lease commitments are:

2004	30,000
2005	<u>2,500</u>
	<u>\$32,500</u>

In February 2004 the Company was released from its lease obligation at the former premises in Hacienda Heights, CA. The Company is required to pay the January and February rent of \$840 per month and forfeit a \$1,600 deposit.

GLOBALINK SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004

In the normal course of business, the Company is occasionally named as a defendant in various legal matters. Presently one arbitration is pending. Legal counsel has opined that an unfavorable outcome is too uncertain to predict. Management intends to vigorously contest the matter.

NOTE 7 – EXEMPTION FROM THE SEC RULE 15C-3

Globalink Securities, Inc. is an introducing broker-dealer that clears all transactions with and for customers on a fully disclosed basis with an independent securities clearing company and promptly transmits all customer funds and securities to the clearing company, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of the SEC Rule 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

Therefore; Globalink Securities, Inc. is exempt from provisions under the SEC Rule 15c3-3, Customer Protection – Reserves and Custody of Security under Rule 15c3-3 paragraph K 2 ii.

GLOBALINK SECURITIES, INC.  
 COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT  
 TO RULE 15c3-1  
 DECEMBER 31, 2004

COMPUTATION OF NET CAPITAL

Total ownership equity from statement of financial condition	\$ 134,399
Haircut	--
Nonallowable assets - page 10	<u>( 61,991)</u>
 NET CAPITAL	 <u>\$ 72,408</u>

COMPUTATION OF NET CAPITAL REQUIREMENTS

Minimum net aggregate indebtedness- 6-2/3% of net aggregate indebtedness	\$ <u>13,704</u>
Minimum dollar net capital required	\$ <u>5,000</u>
Net Capital required (greater of above amounts)	\$ <u>13,704</u>
 EXCESS CAPITAL	 <u>\$ 58,704</u>

Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	\$ <u>51,862</u>
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COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities	\$ <u>205,456</u>
 Percentage of aggregate indebtedness to net capital	 2.84%

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

UNAUDITED	\$ 215,681
Decrease in Non Allowable Assets	47,352
Reclassification of Loan – Related Party	(150,000)
Audit Adjustments	<u>( 40,625)</u>
	<u>\$ 72,408</u>

See Accompanying Notes to Financial Statements

GLOBALINK SECURITIES, INC.  
NONALLOWABLE ASSETS  
DECEMBER 31, 2004

NONALLOWABLE ASSETS

Property and equipment	\$ 43,365
(1) Other assets	<u>18,626</u>
	<u>\$ 61,991</u>

(1) Petty Cash	\$ 13
Prepaid Expenses	5,750
Regulatory Fees	10,821
Security Deposit	1,888
Error Account	<u>154</u>
	<u>\$18,626</u>

See Accompanying Notes to Financial Statements

**George Brenner, CPA**  
A Professional Corporation  
10680 W. PICO BOULEVARD, SUITE 260  
LOS ANGELES, CALIFORNIA 90064  
310/202-6445 – Fax 310/202-6494

INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF REVENUES AND OPERATING EXPENSES

Board of Directors  
Globalink Securities, Inc.  
Pasadena, California

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached schedules of revenue and operating expenses for the year ended December 31, 2004 are presented for purposes of additional information and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.



George Brenner, CPA

Los Angeles, California  
February 18, 2005

**GLOBALINK SECURITIES, INC.**  
**SCHEDULE OF REVENUE AND OPERATING EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

REVENUES

Agency Commissions	\$649,464
Mutual Funds (including Trailers of \$80,801)	137,882
Insurance Commissions	61,266
Interest	41,843
Customer Service Charge	935
Postage	11,432
Other	<u>3,203</u>
TOTAL REVENUES	<u>\$906,025</u>

OPERATING EXPENSES

Accounting Fees	\$ 2,783
Advertising	6,072
Auto Expenses	3,441
Bad Debt Expense	7,013
Finance Charges	1,623
Computer Clearing	( 514)
Computer Supply	( 2,852)
Depreciation	12,036
Food and Entertainment	370
Gifts	274
Insurance	4,071
Internet Provider	454
Licenses and Permits	857
Moving Expense	1,599
Office Expense	3,862
Office Machine Rental	11,908
Payroll Taxes	6,763
Penalty	536
Postage and Delivery	1,467
Professional Services	41,607
Registration	25,969
Rent	42,069
Salary	87,033
Seminar and Education	600
T1 Line	6,896
Taxes and Assessments	5,209
Telephone	9,096
Trading Loss	( 1,033)
Travel	2,000
Miscellaneous	<u>( 557)</u>
TOTAL OPERATING EXPENSE	<u>\$280,652</u>

See Accompanying Notes to Financial Statements

PART II

GLOBALINK SECURITIES, INC.

STATEMENT OF INTERNAL CONTROL

DECEMBER 31, 2004

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**George Brenner, CPA**  
A Professional Corporation  
10680 W. PICO BOULEVARD, SUITE 260  
LOS ANGELES, CALIFORNIA 90064  
310/202-6445 – Fax 310/202-6494

Report of Independent Auditor  
on Internal Accounting Control Required by SEC Rule 17a-5

Board of Directors  
Globalink Securities, Inc.  
Pasadena, California

In planning and performing my audit of the financial statements of Globalink Securities, Inc. (the "Company") for the year ended December 31, 2004, I have considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practice and procedures (including tests of compliance with such practices and procedures) followed by the Company that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. I did not review the practices and procedures followed by the company: (1) in making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13; (2) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; or (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure and the practices procedures are to provide responsibility and safeguard against loss from unauthorized use or disposition, and that transactions are executed in accord to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Board of Directors  
Globalink Securities, Inc.  
Pasadena, California

Rule 17a-5(g) lists additional objectives of the practice and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under the standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relationship to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the accounting system and control procedures that I consider to be material weaknesses as defined above. In addition, the Company was in compliance with the exemptive provisions of Rule 15c3-3 as of December 31, 2004 and no facts came to my attention indicating that such conditions had not been complied with during the year then ended.

I understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at December 31, 2004 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the national Association of Securities Dealers, Inc., and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used for any other purposes.



George Brenner, CPA

Los Angeles, California  
February 18, 2005