

MR

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response .....	12.00



14045922

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

SEC  
Mail Processing  
Section

FEB 25 2014

SEC FILE NUMBER
8-53161

FACING PAGE  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Washington DC

REPORT FOR THE PERIOD BEGINNING 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Maia Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

18958 Daisetta Street, Suite 305

(No. and Street)

Rowland Heights

CA

91748

(City)

(State)

(Zip Code)

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

James K. Tien

626 581-7658

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Elizabeth Tractenberg, CPA

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

3832 Shannon Road

Los Angeles

CA

90027

(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)

3/14/14

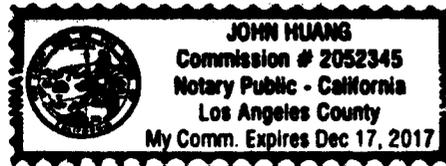
OATH OR AFFIRMATION

I, James K. Tien, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Maia Securities, Inc., as of December 31, 2013, 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

Signature
C.E.O.
Title

Notary Public



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 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 15c3-1 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).

**SEC**  
**Mail Processing**  
**Section**  
FEB 25 2014  
**Washington DC**  
**404**

**Maia Securities, Inc.**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended December 31, 2013**

## Contents

### PART I

Independent Auditor's Report	1-2
Statement of Financial Condition	3
Statement of Income	4
Statement of Changes in Shareholder's Equity	5
Statement of Changes in Financial Condition	6
Notes to Financial Statements	7-12

### SCHEDULES

Schedule I - Computation of Net Capital Requirements Pursuant to Rule 15c3-1	13
Schedule II – Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3	14
Schedule III – Information Relating to Possession or Control Requirements Under Rule 15c3-3	15

### PART II

Report on Internal Control	16-17
----------------------------	-------

### PART III

SIPC Supplemental Report	18-19
--------------------------	-------

**Elizabeth Tractenberg, CPA**

3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/978-5089  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)  
PCAOB # 3621

**Independent Auditor's Report**

Board of Directors  
Maia Securities, Inc.  
Rowland Heights, California

**Report on the Financial Statements**

I have audited the accompanying statement of financial condition of Maia Securities, Inc. as of December 31, 2013 and related statements of income, changes in shareholder's equity, and changes in financial condition for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Directors  
Maia Securities, Inc.  
Page 2

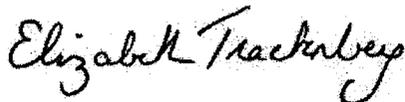
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maia Securities, Inc. as of December 31, 2013, and the results of its operations and its changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities and Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedules I, II and III has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information in Schedules I, II and III is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Elizabeth Tractenberg, CPA  
Los Angeles, CA  
February 20, 2013

**Maia Securities, Inc.**  
**Statement of Financial Condition**  
**December 31, 2013**

**Assets**

Cash and cash equivalent	\$ 336,864
Commissions receivable	40,126
Clearing broker deposit	63,352
Other receivable	13,293
Prepaid expenses	633
Deposits	3,200
Furniture and fixtures net of depreciation of \$74,541	72,639
Leasehold improvements net of amortization of \$654	<u>3,834</u>
<b>Total Assets</b>	<b><u>\$ 533,941</u></b>

**Liabilities and Shareholder's Equity**

**Liabilities**

Accounts payable and accrued liabilities	\$ 34,567
Commissions payable	11,930
Income taxes payable	-
Pension payable	<u>70,000</u>
<b>Total Liabilities</b>	<u>116,497</u>

**Shareholders' Equity**

Common stock (\$30.82 par value, 100,000 shares authorized and issued; 1,000 shares outstanding)	\$ 30,819
Paid-in capital	119,765
Retained earnings	<u>266,860</u>
<b>Total Liabilities and Shareholder's Equity</b>	<b><u>\$ 533,941</u></b>

See Accompanying Notes to Financial Statements

**Maia Securities, Inc.**  
**Statement of Income**  
**For the Year Ended December 31, 2013**

**Revenues**

Commissions	\$ 749,410
Interest income	63,064
Other income	<u>-</u>
Total Revenues	<u>812,474</u>

**Direct Costs**

Clearance fees	263,400
Commission expense	89,350
Data processing and access fees	<u>53,819</u>
Total Direct Costs	<u>406,569</u>

**Operating Expenses**

Advertising and marketing	5,938
Auto expense	14,343
Depreciation and amortization	9,471
Insurance	19,701
Legal and professional fees	13,368
Office expenses	14,769
Outside services	14,608
Pension contribution	70,000
Rent and parking	10,785
Salaries, wages and related expenses	89,474
Telephone	2,463
All others	<u>14,527</u>
Total Operating Expenses	<u>279,447</u>
Income Before Income Tax Provision	126,458
Income Tax Provision	<u>1,897</u>
Net Income	<u>\$ 124,561</u>

See Accompanying Notes to Financial Statements

**Maia Securities, Inc.**  
**Statement of Changes in Shareholder's Equity**  
**For the Year Ended December 31, 2013**

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Earnings	Total
Balance, December 31, 2012	1,000	\$ 30,819	\$ 119,765	\$ 372,299	\$ 522,883
Net Income				124,561	124,561
Distribution	_____	_____	_____	(230,000)	(230,000)
Balance, December 31, 2013	<u>1,000</u>	<u>\$ 30,819</u>	<u>\$ 119,765</u>	<u>\$ 266,860</u>	<u>\$ 417,444</u>

See Accompanying Notes to Financial Statements

**Mala Securities, Inc.**  
**Statement of Changes in Financial Condition**  
**For the Year Ended December 31, 2013**

<b>Cash flow from operating activities:</b>	
Net income	\$ 124,561
Depreciation and amortization	9,471
Adjustment to reconcile net income to net cash provided by (used in) operating activities:	
(Increase) decrease in assets:	
Commissions receivable	(1,537)
Other receivable	9,107
Prepaid expenses	(633)
Deposits	-
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	22,159
Pension payable	70,000
Commissions payable	(14,729)
Income taxes payable	<u>(939)</u>
<b>Net cash provided by operating activities</b>	<b>217,460</b>
<b>Cash flow from investing activities:</b>	
Purchase of furniture and fixtures	<u>(1,607)</u>
<b>Net cash used for investing activities</b>	<b><u>(1,607)</u></b>
<b>Cash flow from financing activities:</b>	
Capital distribution	<u>(230,000)</u>
<b>Net cash used in financing activities</b>	<b><u>(230,000)</u></b>
<b>Net increase (decrease) in cash</b>	<b>(14,147)</b>
<b>Cash at beginning of year</b>	<b><u>351,011</u></b>
<b>Cash at end of year</b>	<b><u>\$ 336,864</u></b>
<b>Supplemental disclosure of cash flow information:</b>	
Interest paid	<u>\$ -</u>
Income taxes paid	<u>\$ 3,469</u>

See Accompanying Notes to Financial Statements

**Maia Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note 1 – Organization and Nature of Business**

Maia Securities, Inc. (the Company) was incorporated in the State of California on February 9, 2001. The Company is a registered broker-dealer with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

**Note 2 – Significant Accounting Policies**

**Basis of Presentation** – The Company conducts the following types of business as a securities broker-dealer, which comprises several classes of services, including:

- Broker or dealer retailing corporate equity securities over-the-counter
- Mutual fund retailer
- Put and call broker or dealer or option writer

Under its membership agreement with FINRA and pursuant to Rule 15c3 (k) (2) (ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. 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.

**Commissions** – Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

**Provision for Income Taxes** – The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code and comparable State of California statutes wherein the Company’s taxable federal and state income is taxed directly to the shareholder. Additionally, the state of California imposes a 1.5% state franchise tax on the corporation’s taxable income.

The accounting principles generally accepted in the United States of America provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organization tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities from 2010 to the present, generally for three years after they are filed.

**Maia Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note 2 – Significant Accounting Policies (continued)**

**Depreciation** – Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

**Statement of Changes in Financial Condition** - The Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

**Employee Benefit Plans** – The Company sponsors a defined benefit pension plan and reports the funded status of the plan in its statement of financial position and measures the plan assets and benefit obligations as of December 31.

In December 2008, authoritative guidance was issued that requires employers to provide additional disclosures about plan assets of a defined benefit pension or other post-retirement plan. The objective of this guidance was to provide users of financial statements with an understanding of how investment allocation decisions are made, the major categories of plan assets held by the plans, the inputs and valuation techniques used to measure the fair value of plan assets, and fair value measurements determined using significant unobservable inputs of a reconciliation of changes between the beginning and ending balances. The Company adopted the new disclosure requirements for the year ended December 31, 2008.

**Note 3 - Fair Value**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

**Maia Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note 3 - Fair Value (continued)**

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013.

**Fair Value Measurements on a Recurring Basis**  
**As of December 31, 2013**

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash	\$ 336,864	\$ -	\$ -	\$ 336,864
Clearing deposits	<u>63,352</u>	<u>-</u>	<u>-</u>	<u>63,352</u>
<b>Total</b>	<u>\$ 400,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,216</u>

**Note 4 – Receivable From and Payable to Broker-Dealers and Clearing Organizations**

Amounts receivable from and payable to broker-dealers and clearing organizations at December 31, 2013, consist of the following:

	Receivable	Payable
Fees and commissions receivable/payable	\$ 40,126	\$ 0

**Note 5 – Clearing Broker Deposit**

The Company has an agreement with a clearing broker which requires a minimum deposit of \$50,000. The clearing broker deposit at December 31, 2013 was \$63,352.

**Note 6 – Related Party**

The Company has an expense sharing arrangement with an affiliate whereby the affiliate reimburses the Company 50% of all expenses including office space, telephone and office supplies. During the year ending December 31, 2013, the Company billed the affiliate \$13,293 and the balance receivable from the affiliate at December 31, 2013 is \$13,293.

It is possible that the terms of certain of the related party transactions are not the same as those that would result from transactions among wholly unrelated parties.

**Maia Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note 7 - Concentration of Credit Risk**

The customers' securities transactions are introduced on a fully-disclosed basis with its clearing broker-dealer. The clearing broker-dealer 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 customers' transactions. Due to the possibility that the customers may charge any losses it incurs 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-dealer.

**Note 8 - Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2013, the Company had net capital of \$323,845 which was \$316,079 in excess of its required net capital of \$7,766. The Company's net capital ratio was .36 to 1.

**Note 9 - Income Taxes**

As discussed in Note 2 - Significant Accounting Policies, the Company is subject to a 1.5% tax on net income over the minimum tax of \$800. At December 31, 2013, the Company recorded \$1,897 in California taxes.

**Note 10 - Employee Benefit Plans**

The Company sponsors a contributory defined benefit pension plan for qualifying employees. The amount of the annual benefit to be paid at normal retirement date is based on credited service, which varies based on participant hire dates.

Economic assumptions used to determine the benefit obligations recognized in the statements of financial position are:

Discount rate	5%
Rate of compensation increase	5%

Weighted average assumptions used to determine the net periodic benefit cost are:

Discount rate	5.19%
Expected return on plan assets	6%
Rate of compensation increase	5%

**Maia Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note 10 – Employee Benefit Plans (continued)**

The Company is utilizing a yield curve methodology to determine its discount rate. This methodology uses a weighted average yield to determine the plan's discount rate by forecasting the plan's expected benefit payments by year.

The expected return on plan assets was derived by reviewing historical returns, preparing several models about future expected returns using the current diversified asset mix and conducting a historical study of market recoverability.

For the year ending December 31, 2013, the Company expects to contribute \$ 0 to the defined benefit pension plan.

The following tables provide further information about the Company's pension plan:

December 31, 2012

Benefit obligations	\$1,750,000
Fair value of plan assets, net of plan liabilities of	\$1,760,000
Net unfunded status of the plan recognized	
As a liability in the statement of financial positions	\$ 0
Employer contributions	\$ 0
Benefit payments	\$ 0
Accumulated benefit obligation	\$1,900,000
Periodic benefit cost for the year ended	\$ 0

Amounts in unrestricted net assets that have not yet been recognized as a component of net periodic benefit cost compromise the following:

	Unrecognized Prior Service Cost	Actuarial Loss
Balance, December 31, 2012	\$ 0	\$ 0

The amounts in unrestricted net assets are expected to be recognized as a component of net periodic benefit cost for the year ending December 31, 2011 are \$ 0 and \$ 0, representing amortization of net prior service cost and amortization of actuarial loss, respectively.

**Maia Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note 10 – Employee Benefit Plans (continued)**

Estimated future defined benefit pension payments reflecting expected future service for each of the five years subsequent to December 31, 2013 and in the aggregate for the five years thereafter are as follows:

Year Ending December 31,	Amount
2014	\$ 0
2015	0
2016	0
2017	0
2018-2022	0

**Note 11 – Exemption from the SEC Rule 15c3-3**

Maia 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.

**Note 12– Subsequent Events**

Management has reviewed the results of operations for the period of time from its year end December 31, 2013 through February 20, 2014, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**Maia Securities, Inc.**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**December 31, 2013**

Computation of Net Capital		
Total ownership equity from statement of financial condition		\$ 417,444
Non allowable assets		
Other receivable	\$ 13,293	
Prepaid expenses	633	
Deposits	3,200	
Furniture and fixtures net of depreciation of \$74,541	72,639	
Leasehold improvements net of amortization of \$654	<u>3,834</u>	<u>(93,599)</u>
Net Capital		<u>\$ 323,845</u>
Computation of Net Capital Requirements		
Minimum net aggregate indebtedness -		
6-2/3% of net aggregate indebtedness		\$ <u>7,766</u>
Minimum dollar net capital required		\$ <u>5,000</u>
Net Capital required (greater of above amounts)		\$ <u>7,766</u>
Excess Capital		\$ <u>316,079</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)		\$ <u>312,079</u>
Computation of Aggregate Indebtedness		
Total liabilities		\$ <u>116,497</u>
Aggregate indebtedness to net capital		0.36
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):		
Net Capital Per Company's Computation		\$ 398,831
Variance - Accrued expenses		(4,986)
Pension payable		<u>(70,000)</u>
Net Capital per Audited Report		<u>\$ 323,845</u>

See Accompanying Notes to Financial Statements

**Maia Securities, Inc.**  
**Schedule II – Computation for Determination of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2013**

A computation of reserve requirement is not applicable to Maia Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

**Maia Securities, Inc.**  
**Schedule III – Information Relating to Possession or Control**  
**Requirements Under Rule 15c3-3**  
**As of December 31, 2013**

Information relating to possession or control requirements is not applicable to Maia Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

## **Elizabeth Tractenberg, CPA**

3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/978-5089  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)  
PCAOB # 3621

### **Part II**

#### **Report on Internal Control Required by SEC Rule 17a-5(g) (1) for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

Board of Directors  
Maia Securities, Inc.  
Rowland Heights, California

In planning and performing my audit of the financial statements of Maia Securities, Inc. (the Company), as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g) (1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control 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 controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud 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 effectiveness of their design and operation may deteriorate.

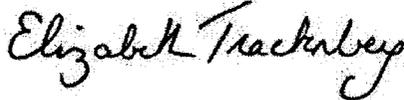
A *deficiency in internal control* over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined previously.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC 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, as described in the second paragraph of this report, were adequate at December 31, 2013 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and FINRA, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Elizabeth Tractenberg, CPA  
Los Angeles, California  
February 20, 2014

## **Elizabeth Tractenberg, CPA**

**3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/978-5089  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)  
PCAOB # 3621**

### **Part III**

#### **SIPC Supplemental Report Pursuant to SEC Rule 17a-5(e) (4)**

Board of Directors  
Maia Securities, Inc.  
Rowland Heights, California

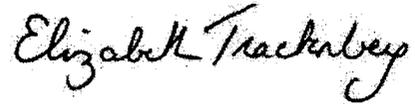
In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (“Form SIPC-7”)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2013, which were agreed to by Maia Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC solely to assist you and the other specified parties in evaluating Maia Securities, Inc.’s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Maia Securities, Inc.’s management is responsible for Maia Securities, Inc.’s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures I performed and my findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries (copy of check) noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2013, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2013 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no adjustments; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 in the related schedules and working papers (summary of FOCUS reports filed), noting no differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

Board of Directors  
Maia Securities, Inc.  
Page 2

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Elizabeth Tractenberg". The signature is written in a cursive style with a large initial "E" and a long, sweeping underline.

Elizabeth Tractenberg, CPA  
Los Angeles, California  
February 20, 2014