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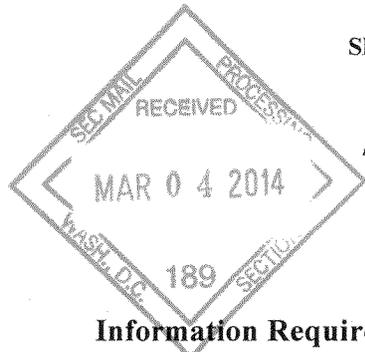


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OMB APPROVAL	
OMB Number:	3235-0128
Expires:	April 30, 2013
Estimated average burden hours per response.....	12.00



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

SEC FILE NUMBER
8- 39247

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 01/01/2013 AND ENDING 12/31/2013  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Cathay Securities, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
202 Canal Street, Suite 403  
(No. and Street)

New York NY 10013  
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Russ Hasan, President 212-285-2261  
(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Wong & Co.  
(Name - if individual, state last, first, middle name)

57 West 38th Street, 12th Floor, New York NY 10018  
(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)

DD 3/24/14

OATH OR AFFIRMATION

I, Russ Hasan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cathay 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:

N/A

[Signature]
Signature

President

Title

[Signature]
Notary Public

PHAT T. LAM
Notary Public, State of New York
No. 01LA6154369
Qualified in Kings County
Commission Expires Oct. 23, 2014

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).

**CATHAY SECURITIES, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED  
DECEMBER 31, 2013  
WITH**

**REPORT AND SUPPLEMENTARY REPORT OF  
CERTIFIED PUBLIC ACCOUNTANTS**

CATHAY SECURITIES, INC.

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<input checked="" type="checkbox"/> (l) An Oath or Affirmation	
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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and  
Stockholders of  
Cathay Securities, Inc.

### **Report on the Financial Statements**

We have audited the accompanying statement of financial condition of Cathay Securities, Inc. (the "Company") as of December 31, 2013, and the related statements of operations, cash flows and changes in stockholders' equity 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cathay Securities, Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in schedules listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities 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 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



New York, New York  
February 24, 2014

**CATHAY SECURITIES, INC.**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2013**

**ASSETS**

Cash and Cash Equivalents (Note 2)	\$ 50,119
Receivable From Broker	59,472
Office Furnishings, Net of Accumulated Depreciation and Amortization of \$111,699 (Note 2)	854
Deferred Income Taxes (Note 2 and 3)	74,700
Other Assets	20,759
Total Assets	<u>\$ 205,904</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts Payable and Accrued Expenses	\$ 13,583
Stockholders' Equity: (Note 4)	
Capital Stock	76,200
Additional Paid-in-Capital	302,800
Accumulated Deficit	(186,679)
Total Stockholders' Equity	<u>192,321</u>
Total Liabilities and Stockholders' Equity	<u>\$ 205,904</u>

**CATHAY SECURITIES, INC.**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2013**

**REVENUES:**

Commission Income, Net (Note 2)	\$	134,062
Other Income		9,977
Interest Income		3,187
Total Revenues		<u>147,226</u>

**EXPENSES:**

Occupancy Costs		91,486
Communication Costs		22,576
Equipment Rental		8,708
Office Expense		15,518
Professional Fees		24,080
Computer & Clearing Charges		14,698
Insurance		2,469
Miscellaneous		485
State and Local Taxes		900
Depreciation (Note 2)		564
Total Expenses		<u>181,484</u>
Loss Before Income Taxes		<u>(34,258)</u>
Income Tax Benefits (Notes 2 and 3)		0
Net Loss	\$	<u><u>(34,258)</u></u>

CATHAY SECURITIES, INC.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2013

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net Loss	\$(34,258)
Adjustments to Reconcile Net Loss to Net Cash Generated by Operating Activities:	
Depreciation Expense	564
Decrease in Receivable From Broker	65,979
Increase in Other Assets	(567)
Increase in Accounts Payable & Accrued Expenses	1,757
Net Cash Generated by Operating Activities	<u>33,475</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of Office Equipment	<u>(869)</u>
Net Cash Used by Investing Activities	(869)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Increase of Paid-in Capital	17,500
Net Cash Generated by Financing Activities	<u>17,500</u>

Net Increase in Cash	<u>\$ 50,106</u>
Cash, Beginning of Year	<u>13</u>
Cash, End of Year	<u><u>\$ 50,119</u></u>

**Supplemental Disclosure of Cash Flows Information:**

Cash Paid During The Year For:	
Corporate Income and Franchise Taxes	0

CATHAY SECURITIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2013

	Capital Stock	Paid-in Capital	Retained Earnings (Deficit)	Total
Balance, 12-31-2012	<u>\$ 76,200</u>	<u>\$ 285,300</u>	<u>\$ (152,421)</u>	<u>\$ 209,079</u>
Additions	0	17,500	0	17,500
Net Loss	0	0	(34,258)	(34,258)
Balance, 12-31-2013	<u>\$ 76,200</u>	<u>\$ 302,800</u>	<u>\$ (186,679)</u>	<u>\$ 192,321</u>

CATHAY SECURITIES, INC.

COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT  
TO RULE 15c3-1 UNDER THE SECURITY EXCHANGE ACT OF 1934

YEAR ENDED DECEMBER 31, 2013

NET CAPITAL:

Total Stockholders' Equity	\$ 192,321
Total Stockholders' Equity Qualified for Net Capital	<u>192,321</u>
Deductions and/or Charges	
Non-Allowable Assets:	
Office Furnishings, Net	(854)
Security Deposit	(19,069)
Deferred Income Taxes	(74,700)
Other Assets	<u>(1,690)</u>
	<u>(96,313)</u>
Net Capital Before Haircuts on Securities Positions	<u>96,008</u>
Haircuts on Securities:	
Money Market Fund	<u>(1,000)</u>
<b>Net Capital</b>	<b>\$ 95,008</b>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

Minimum Net Capital Required	<u>50,000</u>
<b>Excess Net Capital</b>	<b>\$ <u>45,008</u></b>
Net Capital less Greater of 10% of Total Aggregate Indebtedness or 120% of Minimum Net Capital Required	<u>\$ 35,008</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS:

Accounts Payable and Accrued Expense	<u>\$ 13,583</u>
Total Aggregate Indebtedness	<u>\$ 13,583</u>
<b>Percentage of Aggregate Indebtedness to Net Capital</b>	<b>14.30%</b>

## CATHAY SECURITIES, INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

#### Note 1 - Organization

Cathay Securities, Inc. (the Company) was incorporated on November 2, 1987 under the laws of the State of New York.

The Company became a registered broker/dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934 on January 27, 1988, and a member of the National Association of Securities Dealers, Inc. on March 28, 1988. The Company conducts all its businesses on a fully disclosed basis. All customer security accounts are carried by First Southwest Company.

#### Note 2 – Summary of Significant Accounting Policies

The accounting policies and practices of the Company conform with generally accepted accounting principles. The significant policies are summarized below:

#### Revenue Recognition

Commissions on all securities transactions are recognized when services are performed.

#### Fixed Assets

Office furnishings are stated at costs and depreciated over their estimated useful lives on a straight-line basis for both financial and federal income tax reporting purposes. Leasehold Improvements are amortized over the term of the office lease.

Depreciation expense, relating to property and equipment, charged to operations for the year ended December 31, 2013 was \$564.

#### Income Taxes

The Company accounts for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification ((FASB ASC) 740, "Income Taxes", which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate principally to net operating loss carry forward. Deferred tax assets and liabilities represent the future tax consequence for those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB ASC 740-10-25, which prescribe a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions.

**CATHAY SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

Note 2 - Accounting Policies (continued)

Income Taxes (continued)

Currently, the 2010, 2011 and 2012 tax years are open and subject to examination by the taxing authorities. However, the Company is not currently under audit nor has the Company been contacted by any of the taxing authorities. The Company does not have any accruals for uncertain tax positions as of December 31, 2013. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs – Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

**CATHAY SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

Note 2 - Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

As of December 31, 2013, none of the assets and liabilities was required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, receivable from clearing organization, and accounts payable and accrued expenses, approximate fair values due to the short term nature of these financial instruments. There are no changes in methods or assumptions during the year ended December 31, 2013.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with maturity of three months or less to be cash equivalents.

Note 3 - Income Taxes

Deferred income tax asset, at December 31, 2013 in the amount of \$74,700 was recognized for operating losses that are available to offset future taxable income.

Note 4 - Capital Stock

As of December 31, 2013, the Company had 5,000 shares of no par value common stock authorized and 1,000 shares issued and outstanding.

Note 5 - Commitments

The Company had entered into a five-year office lease agreement expiring on June 30, 2015. The following is a schedule of future minimum rental payments required under the above lease as of December 31, 2013:

Year Ending December 31	Amount
2014	\$87,691
2015	\$44,458

**CATHAY SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

Note 6 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires that aggregate indebtedness shall not exceed fifteen times net capital. In addition, the Company is required to maintain a minimum net capital of \$50,000. At December 31, 2013, the Company's net capital was \$95,008, which was \$45,008 in excess of the required net capital, and the Company's aggregate indebtedness to net capital ratio was 0.14 to 1.

The Company is exempt from the provisions of 15c3-3 under Securities Exchange Act of 1934 as set forth in the conditions for exemption in paragraph (k)(2)(ii).

There are no material differences between the amounts presented above, which are the amounts based on the accompanying audited financial statements, and the amounts reported in the Company's focus report filed in January 24, 2014.

Note 7 - Financial Instruments With Off-Balance Sheet Risk

The Company introduces all customer transactions in securities traded in U.S. securities markets to another New York Stock Exchange member firm on a fully disclosed basis. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to non-performance by customer or counterparties.

The Company's exposure to credit risk associated with the non-performance of customers and counterparties in fulfilling their contractual obligations pursuant to these securities transactions can be directly impacted by volatile trading markets, which may impair the customer's or counterparty's ability to satisfy their obligations to the Company.

In the event of non-performance the Company may be required to purchase or sell financial instruments at unfavorable market prices resulting in a loss to the Company. The Company does not anticipate non-performance by customers and counterparties in the above situations.

The Company seeks to control the aforementioned risks by requiring customers or counterparties to maintain collateral in compliance with regulatory requirements, the clearing broker's guidelines and industry standards. The Company monitors required margin levels daily and pursuant to such guidelines, requires the customer to deposit additional collateral, or to reduce positions, when necessary. The Company also has a policy of reviewing the credit standing of each customer and counterparty with which it conducts business.

**CATHAY SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

Note 8 – Subsequent Events

The Company's management has performed subsequent events procedures through February 24 2014, which is the date the financial statements were available to be issued and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein



## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

Board of Directors and Stockholders of  
Cathay Securities, Inc.:

In planning and performing our audit of the financial statements of Cathay 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, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Security Exchange Act of 1934, we 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 we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computation of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures 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, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in 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 an 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 Securities and Exchange Commission's previously-mentioned objectives. Two of the objectives of an 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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control and 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 effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* 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 misstatements on a timely basis. A *significant deficiency* is a deficiency, or 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.

Our consideration of the internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in the internal control that might be material weaknesses. We noted no matters involving the internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Securities and Exchange Commission to be adequate for their 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 our study, we 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 Securities and Exchange Commission's objectives.

This report is intended solely for the information and use of the board of directors, management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, 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.



New York, New York  
February 24, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA 12

(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

CATHAY SECURITIES, INC. 13

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

202 CANAL ST, SUITE 403 20

(No. and Street)

NEW YORK 21      NY 22      10013 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-39247 14

FIRM ID NO.

21821 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.

30

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 21<sup>st</sup> day of JAN 20 14

Manual Signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) [Signature]  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

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) )



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

**BROKER OR DEALER**  
CATHAY SECURITIES, INC.

as of 12/31/13

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	13,583 1205	1385	13,583 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders	\$ 970		
2. Includes equity subordination (15c3-1(d)) of	\$ 980		
B. Securities borrowings, at market value from outsiders	\$ 990	1410	1720
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
20. TOTAL LIABILITIES	\$ 13,583 1230	\$ 1450	\$ 13,583 1760

Ownership Equity

21. Sole proprietorship		\$ 1770
22. Partnership (limited partners)	\$ 1020	1780
23. Corporation:		
A. Preferred stock		1791
B. Common stock		76,200 1792
C. Additional paid-in capital		302,800 1793
D. Retained earnings		(186,679) 1794
E. Total		192,321 1795
F. Less capital stock in treasury		( ) 1796
24. TOTAL OWNERSHIP EQUITY		\$ 192,321 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 205,904 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

CATHAY SECURITIES, INC.

as of

12/31/13

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	192,321	3480
2. Deduct ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		192,321	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)			3525
5. Total capital and allowable subordinated liabilities	\$	192,321	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	96,313	3540
B. Secured demand note deficiency			3590
C. Commodity futures contracts and spot commodities-proprietary capital charges			3600
D. Other deductions and/or charges			3610
		( 96,313)	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	96,008	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. Exempted securities			3735
2. Debt securities			3733
3. Options			3730
4. Other securities			3734
D. Undue concentration			3650
E. Other (List)		1,000	3736
		( 1,000)	3740
10. Net Capital	\$	95,008	3750

OMIT PENNIES

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

**BROKER OR DEALER**  
CATHAY SECURITIES, INC.

as of 12/31/13

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	906	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	50,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	50,000	3760
14. Excess net capital (line 10 less 13)	\$	45,008	3770
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	35,008	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	13,583	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
19. Total aggregate indebtedness	\$	13,583	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	14.30	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	0.00	3860

**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	\$	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	3880
24. Net capital requirement (greater of line 22 or 23)	\$	3760
25. Excess net capital (line 10 less 24)	\$	3910
26. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	3920

**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 4% of aggregate debits if alternative 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 the 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.

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

**BROKER OR DEALER**

CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
 Number of months included in this statement 3 3931

**REVENUE STATEMENT OF INCOME (LOSS)**

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	<u>3935</u>
b. Commissions on listed option transactions		<u>3938</u>
c. All other securities commissions		<u>37,346</u> <u>3939</u>
d. Total securities commissions		<u>37,346</u> <u>3940</u>
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		<u>3945</u>
b. From all other trading		<u>3949</u>
c. Total gain (loss)		<u>3950</u>
3. Gains or losses on firm securities investment accounts		<u>3952</u>
4. Profits (losses) from underwriting and selling groups		<u>3955</u>
5. Revenue from sale of investment company shares		<u>3970</u>
6. Commodities revenue		<u>3990</u>
7. Fees for account supervision, investment advisory and administrative services		<u>3975</u>
8. Other revenue		<u>4,338</u> <u>3995</u>
9. Total revenue	\$	<u>41,684</u> <u>4030</u>

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers		<u>4120</u>
11. Other employee compensation and benefits		<u>4115</u>
12. Commissions paid to other brokers-dealers		<u>4140</u>
13. Interest expense		<u>4075</u>
a. Includes interest on accounts subject to subordination agreements	<u>4070</u>	
14. Regulatory fees and expenses		<u>4195</u>
15. Other expenses		<u>46,076</u> <u>4100</u>
16. Total expenses	\$	<u>46,076</u> <u>4200</u>

**NET INCOME**

17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	<u>(4,392)</u> <u>4210</u>
18. Provision for Federal income taxes (for parent only)		<u>4220</u>
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		<u>4222</u>
a. After Federal income taxes of	<u>4238</u>	
20. Extraordinary gains (losses)		<u>4224</u>
a. After Federal income taxes of	<u>4239</u>	
21. Cumulative effect of changes in accounting principles		<u>4225</u>
22. Net income (loss) after Federal income taxes and extraordinary items	\$	<u>(4,392)</u> <u>4230</u>

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal Income taxes and extraordinary items		<u>(6,503)</u> <u>4211</u>
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 to 12/31/13

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	196,713	4240
A. Net income (loss) .....		(4,392)	4250
B. Additions (includes non-conforming capital of .....	\$	4262	) 4260
C. Deductions (includes non-conforming capital of .....	\$	4272	) 4270
2. Balance, end of period (from item 1800) .....	\$	192,321	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$	4300	
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (from item 3520) .....	\$		4330

OMIT PENNIES

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

<b>BROKER OR DEALER</b> CATHAY SECURITIES, INC.	as of <u>12/31/13</u>
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**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based :

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) ..... \$ 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
 Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
First Southwest Company 4335      X      4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be  
 withdrawn within the next six months and accruals, (as defined below),  
 which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be with- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<u>4600</u>	<u>4601</u>	<u>4602</u>	<u>4603</u>	<u>4604</u>	<u>4605</u>
<u>4610</u>	<u>4611</u>	<u>4612</u>	<u>4613</u>	<u>4614</u>	<u>4615</u>
<u>4620</u>	<u>4621</u>	<u>4622</u>	<u>4623</u>	<u>4624</u>	<u>4625</u>
<u>4630</u>	<u>4631</u>	<u>4632</u>	<u>4633</u>	<u>4634</u>	<u>4635</u>
<u>4640</u>	<u>4641</u>	<u>4642</u>	<u>4643</u>	<u>4644</u>	<u>4645</u>
<u>4650</u>	<u>4651</u>	<u>4652</u>	<u>4653</u>	<u>4654</u>	<u>4655</u>
<u>4660</u>	<u>4661</u>	<u>4662</u>	<u>4663</u>	<u>4664</u>	<u>4665</u>
<u>4670</u>	<u>4671</u>	<u>4672</u>	<u>4673</u>	<u>4674</u>	<u>4675</u>
<u>4680</u>	<u>4681</u>	<u>4682</u>	<u>4683</u>	<u>4684</u>	<u>4685</u>
<u>4690</u>	<u>4691</u>	<u>4692</u>	<u>4693</u>	<u>4694</u>	<u>4695</u>

TOTAL      \$ 4699

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities

FORM CUSTODY FOR BROKER-DEALERS

(Please read instructions before preparing Form)

NAME OF BROKER-DEALER

SEC FILE NO.

CATHAY SECURITIES, INC. 13

8-39247 14

ADDRESS OF PRINCIPAL PLACE OF BUSINESS

FIRM ID NO.

202 CANAL ST, SUITE 403 20

21821 15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

NEW YORK 21 NY 22 10013 23

10/01/13 24

(City)

(State)

(Zip Code)

AND ENDING (MM/DD/YY)

12/31/13 25

NAME OF PERSON COMPLETING THIS REPORT

11290

TELEPHONE NO. OF PERSON COMPLETING THIS REPORT

11291

Item 1. A. Does the broker-dealer introduce customer accounts on a fully disclosed basis to another broker-dealer? Y 20000

B. If the answer to question 1.A is "yes," identify below the broker-dealer(s) (by name, SEC No., and CRD No.) to which the customer accounts are introduced on a fully disclosed basis:

	Name	SEC No.	CRD No.
1	First Southwest Company	20001 8-1523	20002 316 20003
2		20004	20005 20006
3		20007	20008 20009
4		20010	20011 20012
5		20013	20014 20015
6		20016	20017 20018
7		20019	20020 20021
8		20022	20023 20024
9		20025	20026 20027
10		20028	20029 20030

Item 2. A. Does the broker-dealer introduce customer accounts to another broker-dealer on an omnibus basis? N 20100

B. If the answer to question 2.A is "yes," identify below the broker-dealer(s) (by name, SEC No., and CRD No.) to which the accounts are introduced on an omnibus basis:

	Name	SEC No.	CRD No.
1		20101	20102 20103
2		20104	20105 20106
3		20107	20108 20109
4		20110	20111 20112
5		20113	20114 20115
6		20116	20117 20118
7		20119	20120 20121
8		20122	20123 20124
9		20125	20126 20127
10		20128	20129 20130

Item 3. A. Does the broker-dealer carry securities accounts (i.e., accounts that are not introduced on a fully disclosed basis to another broker-dealer) for customers?

N 20200

B. Does the broker-dealer carry securities accounts (i.e., accounts that are not introduced on a fully disclosed basis to any other broker-dealer) for non-customers?

N 20201

FORM CUSTODY FOR BROKER-DEALERS

BROKER-DEALER

For the period (MMDDYY) from 10/01/13  to 12/31/13

CATHAY SECURITIES, INC.

Number of months included in this statement 3

Item 3. C. Location of Securities (if the answer to question 3.A and/or 3.B is "yes")

- i. Indicate in the chart below the types of U.S. locations used by the broker-dealer to hold securities that it carries by checking each box in the first column that applies. For each type of location selected, indicate in the third column the frequency (e.g., daily, weekly, monthly, quarterly, semi-annually, annually) with which the broker-dealer performs a reconciliation between the information on its stock record and information about the securities provided by the location:

Location	Reconciliation Frequency
<input type="checkbox"/> <input type="text" value="20202"/> The broker-dealer's vault	<input type="text" value="20203"/>
<input type="checkbox"/> <input type="text" value="20205"/> U.S. broker-dealer(s)	<input type="text" value="20206"/>
<input type="checkbox"/> <input type="text" value="20208"/> The Depository Trust Company	<input type="text" value="20209"/>
<input type="checkbox"/> <input type="text" value="20211"/> The Options Clearing Corporation	<input type="text" value="20212"/>
<input type="checkbox"/> <input type="text" value="20214"/> U.S. bank(s)	<input type="text" value="20215"/>
<input type="checkbox"/> <input type="text" value="20217"/> Transfer agents of mutual fund(s) under the Investment Company Act	<input type="text" value="20218"/>

If 'Other' Reconciliation Frequency selected, please describe: \_\_\_\_\_

- ii. Indicate in the chart below the types of U.S. locations not identified in Item 3.C.i used by the broker-dealer to hold securities that it carries by describing the type of entity in the first column. For each type of location, indicate in the second column the frequency (e.g., daily, weekly, monthly, quarterly, semi-annually, annually) with which the broker-dealer performs a reconciliation between the information on its stock record and information about the securities provided by location:

Other Types of U.S. Locations	Reconciliation Frequency
1. _____	<input type="text" value="20230"/> <input type="text" value="20231"/>
2. _____	<input type="text" value="20233"/> <input type="text" value="20234"/>
3. _____	<input type="text" value="20236"/> <input type="text" value="20237"/>
4. _____	<input type="text" value="20239"/> <input type="text" value="20240"/>
5. _____	<input type="text" value="20242"/> <input type="text" value="20243"/>
6. _____	<input type="text" value="20245"/> <input type="text" value="20246"/>
7. _____	<input type="text" value="20248"/> <input type="text" value="20249"/>
8. _____	<input type="text" value="20251"/> <input type="text" value="20252"/>
9. _____	<input type="text" value="20254"/> <input type="text" value="20255"/>
10. _____	<input type="text" value="20257"/> <input type="text" value="20258"/>

If 'other' Reconciliation Frequency selected, please describe: \_\_\_\_\_

- iii. Indicate in the chart below the types of foreign locations used by the broker-dealer to hold securities that it carries by describing the type of location in the first column. For each type of location indicate in the second column the frequency (e.g., daily, weekly, monthly, quarterly, semi-annually, annually) with which the broker-dealer performs a reconciliation between the information on its stock record and information about the securities provided by the location:

Non-U.S. Locations	Reconciliation Frequency
1. _____	<input type="text" value="20260"/> <input type="text" value="20261"/>
2. _____	<input type="text" value="20263"/> <input type="text" value="20264"/>
3. _____	<input type="text" value="20266"/> <input type="text" value="20267"/>
4. _____	<input type="text" value="20269"/> <input type="text" value="20270"/>
5. _____	<input type="text" value="20272"/> <input type="text" value="20273"/>
6. _____	<input type="text" value="20275"/> <input type="text" value="20276"/>
7. _____	<input type="text" value="20278"/> <input type="text" value="20279"/>
8. _____	<input type="text" value="20281"/> <input type="text" value="20282"/>
9. _____	<input type="text" value="20284"/> <input type="text" value="20285"/>
10. _____	<input type="text" value="20287"/> <input type="text" value="20288"/>

If 'other' Reconciliation Frequency selected, please describe: \_\_\_\_\_

FORM CUSTODY FOR BROKER-DEALERS

BROKER-DEALER

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933

CATHAY SECURITIES, INC.

Number of months included in this statement 3 3931

Item 3. D. Securities and Cash Carried for the Accounts of Customers (if the answer to question 3.A is "yes")

i. Indicate by checking the appropriate boxes on the chart below the types and approximate market value of securities that are carried by the broker-dealer for the accounts of customers:

Type of Securities	Select Market Value Range
<input type="checkbox"/> 20300 U.S. Equity Securities	20301
<input type="checkbox"/> 20310 Foreign Equity Securities	20311
<input type="checkbox"/> 20320 U.S. Listed Options	20321
<input type="checkbox"/> 20330 Foreign Listed Options	20331
<input type="checkbox"/> 20340 Domestic Corporate Debt	20341
<input type="checkbox"/> 20350 Foreign Corporate Debt	20351
<input type="checkbox"/> 20360 U.S. Public Finance Debt	20361
<input type="checkbox"/> 20370 Foreign Public Finance Debt	20371
<input type="checkbox"/> 20380 U.S. Government Debt	20381
<input type="checkbox"/> 20390 Foreign Sovereign Debt	20391
<input type="checkbox"/> 20400 U.S. Structured Debt	20401
<input type="checkbox"/> 20410 Foreign Structured Debt	20411
<input type="checkbox"/> 20420 U.S. Mutual Funds	20421
<input type="checkbox"/> 20430 Foreign Mutual Funds	20431
<input type="checkbox"/> 20440 U.S. Exchange Traded Funds	20441
<input type="checkbox"/> 20450 Foreign Exchange Traded Funds	20451
<input type="checkbox"/> 20460 U.S. Private Funds	20461
<input type="checkbox"/> 20470 Foreign Private Funds	20471
<input type="checkbox"/> 20480 Other	20481

ii. Has the broker-dealer recorded all securities it carries for the accounts of customers on its stock record?  20490

If the answer is "no," explain in the space provided why the broker-dealer has not recorded such securities on its stock record and provide the approximate U.S. dollar market value of such unrecorded securities:

Market Value: \$ \_\_\_\_\_ 20491

Explanation: \_\_\_\_\_ 20492

iii. Indicate in the chart below each process used by the broker-dealer with respect to free credit balances in cash accounts it holds for customers by checking all the boxes that apply and providing applicable information:

Process
<input type="checkbox"/> 20493 Included in a computation under Rule 15c3-3(e)
<input type="checkbox"/> 20494 Held in a bank account under Rule 15c3-3(k)(2)(i)
<input type="checkbox"/> 20495 Swept to a U.S. bank
<input type="checkbox"/> 20496 Swept to a U.S. money market fund
<input type="checkbox"/> 20497 Other (Briefly describe in the space provided below)

20498

FORM CUSTODY FOR BROKER-DEALERS

BROKER-DEALER

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933

CATHAY SECURITIES, INC.

Number of months included in this statement 3 3931

Item 3. E. Securities and Cash Carried for the Accounts of Non-customers (if the answer to question 3.B is "yes")

i. Indicate by checking the appropriate boxes on the chart below the types and approximate market value of securities that are carried by the broker-dealer for the accounts of non-customers:

Type of Securities	Select Market Value Range
<input type="checkbox"/> 20500 U.S. Equity Securities	<input type="checkbox"/> 20501
<input type="checkbox"/> 20510 Foreign Equity Securities	<input type="checkbox"/> 20511
<input type="checkbox"/> 20520 U.S. Listed Options	<input type="checkbox"/> 20521
<input type="checkbox"/> 20530 Foreign Listed Options	<input type="checkbox"/> 20531
<input type="checkbox"/> 20540 Domestic Corporate Debt	<input type="checkbox"/> 20541
<input type="checkbox"/> 20550 Foreign Corporate Debt	<input type="checkbox"/> 20551
<input type="checkbox"/> 20560 U.S. Public Finance Debt	<input type="checkbox"/> 20561
<input type="checkbox"/> 20570 Foreign Public Finance Debt	<input type="checkbox"/> 20571
<input type="checkbox"/> 20580 U.S. Government Debt	<input type="checkbox"/> 20581
<input type="checkbox"/> 20590 Foreign Sovereign Debt	<input type="checkbox"/> 20591
<input type="checkbox"/> 20600 U.S. Structured Debt	<input type="checkbox"/> 20601
<input type="checkbox"/> 20610 Foreign Structured Debt	<input type="checkbox"/> 20611
<input type="checkbox"/> 20620 U.S. Mutual Funds	<input type="checkbox"/> 20621
<input type="checkbox"/> 20630 Foreign Mutual Funds	<input type="checkbox"/> 20631
<input type="checkbox"/> 20640 U.S. Exchange Traded Funds	<input type="checkbox"/> 20641
<input type="checkbox"/> 20650 Foreign Exchange Traded Funds	<input type="checkbox"/> 20651
<input type="checkbox"/> 20660 U.S. Private Funds	<input type="checkbox"/> 20661
<input type="checkbox"/> 20670 Foreign Private Funds	<input type="checkbox"/> 20671
<input type="checkbox"/> 20680 Other	<input type="checkbox"/> 20681

ii. Has the broker-dealer recorded all securities it carries for the accounts of non-customers on its stock record?

20690

If the answer is "no," explain in the space provided why the broker-dealer has not recorded such securities on its stock record and provide the approximate total U.S. dollar market value of such unrecorded securities:

Market Value: \$ \_\_\_\_\_  20691

Explanation: \_\_\_\_\_  20692

iii. Indicate in the chart below each process used by the broker-dealer with respect to free credit balances in the securities accounts of non-customers by checking all the boxes that apply and providing applicable information:

Process
<input type="checkbox"/> 20693 Included in a reserve computation
<input type="checkbox"/> 20694 Swept to a U.S. bank
<input type="checkbox"/> 20695 Swept to a U.S. money market fund
<input type="checkbox"/> 20696 Other (Briefly describe in the space provided below)

20697

FORM CUSTODY FOR BROKER-DEALERS

BROKER-DEALER

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933

CATHAY SECURITIES, INC.

Number of months included in this statement 3 3931

Item 4. Acting as a Carrying Broker-Dealer for Other Broker-Dealers

A. On a fully disclosed basis

- i. Does the broker-dealer carry customer accounts for another broker-dealer(s) on a fully disclosed basis? N 20700
- ii. If the answer to question 4.A.i is "yes," indicate the number of broker-dealers: 20701
- iii. If the answer to question 4.A.i is "yes," identify any of these broker-dealers that are affiliates of the broker-dealer by name, CRD No., and "SEC File No.":

Broker-dealer Name	CRD No.	SEC No.
20702	20703	20704
1 _____	_____	_____
2 _____	_____	_____
3 _____	_____	_____
4 _____	_____	_____
5 _____	_____	_____
6 _____	_____	_____
7 _____	_____	_____
8 _____	_____	_____
9 _____	_____	_____
10 _____	_____	_____

FORM CUSTODY FOR BROKER-DEALERS

BROKER-DEALER

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933

CATHAY SECURITIES, INC.

Number of months included in this statement 3 3931

Item 4. Acting as a Carrying Broker-Dealer for Other Broker-Dealers

B. On an omnibus basis

- i. Does the broker-dealer carry customer accounts for another broker-dealer(s) on an omnibus basis?  N 20800
- ii. If the answer to question 4.B.i is "yes," indicate the number of broker-dealers: 20801
- iii. If the answer to question 4.B.i is "yes," identify any of these broker-dealers that are affiliates of the broker-dealer by name, CRD No., and "SEC File No.":

Broker-dealer Name	CRD No.	SEC No.
20802	20803	20804
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

FORM CUSTODY FOR BROKER-DEALERS

BROKER-DEALER

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933

CATHAY SECURITIES, INC.

Number of months included in this statement 3 3931

- Item 5. A. Does the broker-dealer send trade confirmations directly to customers and other accountholders?  N 20900
- B. If the answer to question 5.A is "no," who sends the trade confirmations to customers and other accountholders?  
Clearing Firm- First Southwest Company 20901
- Item 6. A. Does the broker-dealer send account statements directly to customers and other accountholders?  N 20902
- B. If the answer to question 6.A is "no," who sends the account statements to customers and other accountholders?  
Clearing Firm-First Southwest Company 20903
- C. Does the broker-dealer send account statements to anyone other than the beneficial owner of the account?  N 20904
- Item 7. A. Does the broker-dealer provide customers and other accountholders with electronic access to information about the securities and cash positions in their accounts?  N 20905
- Item 8. A. Is the broker-dealer also registered as an investment adviser:
  - i. With the SEC under the Investment Advisers Act of 1940?  N 20906
  - ii. With one or more U.S. states under the laws of the state?  N 20907

If the answer to question 8.A.i or 8.A.ii is "yes," answer each of the following items:

- B. Provide the number of investment adviser clients: 0 20908
- C. Complete the following chart concerning the custodians of investment adviser client assets if any (including, if applicable, the broker-dealer):

- Column 1: The name of the custodian
- Column 2: The identity of the custodian by SEC File No. or CRD No. (if applicable)
- Column 3: Whether the broker-dealer/investment adviser has the authority to effect transactions in these advisory client accounts at the custodian
- Column 4: Whether the broker-dealer/investment adviser has the authority to withdraw funds and securities out of any accounts at the custodian
- Column 5: Whether the custodian sends account statements directly to the investment adviser clients
- Column 6: Whether the investment adviser client assets are on the broker-dealer's stock record

1. Name of the Custodian	2A. SEC No.	2B. CRD No.	3. Auth To Effect Trans?	4. Auth To W/D Funds/ Sec?	5. Cust sends Stmt?	6. Client Assets on Stock Record?
	20910	20911	20912	20913	20914	20915
	20920	20921	20922	20923	20924	20925
	20930	20931	20932	20933	20934	20935
	20940	20941	20942	20943	20944	20945
	20950	20951	20952	20953	20954	20955
	20960	20961	20962	20963	20964	20965
	20970	20971	20972	20973	20974	20975
	20980	20981	20982	20983	20984	20985
	20990	20991	20992	20993	20994	20995
	21000	21001	21002	21003	21004	21005

- Item 9. A. Is the broker-dealer an affiliate of an investment adviser?  N 21010
- B. i. If the answer to Item 9.A. is "yes," does the broker-dealer have custody of client assets of the adviser?  21011
- ii. If the answer to Item 9.B.i is "yes" indicate the approximate U.S. dollar market value of the adviser client assets of which the broker-dealer has custody: \$ 21012

SUPPLEMENTAL STATEMENT OF INCOME

(Please read instructions before preparing Form)

NAME OF BROKER-DEALER

CATHAY SECURITIES, INC. 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS

202 CANAL ST, SUITE 403 20

(No. and Street)

NEW YORK 21 NY 22 10013 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-39247 14

FIRM ID NO.

21821 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/13 24

AND ENDING (MM/DD/YY)

12/31/13 25

NAME OF PERSON COMPLETING THIS REPORT

TELEPHONE NO. OF PERSON COMPLETING THIS REPORT

11291

REVENUE

1. Commissions

A. Listed Equities, ETFs and Closed End Funds Executed on an Exchange	\$	13935
B. Exchange Listed Equity Securities Executed OTC	\$	37,346 13937
C. U.S. Government and Agencies	\$	11001
D. Foreign Sovereign debt	\$	11002
E. Corporate debt	\$	11003
F. Mortgage Backed and Other Asset Backed Securities	\$	11004
G. Municipals	\$	11005
H. Listed Options	\$	13938
I. OTC Options	\$	11006
J. All Other Securities Commissions	\$	13939
K. Commodity Transactions	\$	13991
L. Foreign Exchange	\$	11007
M. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue (line 14030) (Do not complete Items A-L)	\$	11008
1. Is any portion of Item M related to municipal securities?	<input type="checkbox"/>	11009

Total Commissions: \$ 37,346 13940

2. Revenue from Sale of Investment Company Shares \$ 13970

3. Revenue from Sale of Insurance Based Products

A. Variable Contracts	\$	11020
B. Non-Securities Insurance Based Products	\$	11021
C. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue (line 14030) (Do not complete Items A-B)	\$	11022

Total Revenue From Sale of Insurance Based Products: \$ 11029

4. Gains or Losses on Derivative Trading Desks

A. Interest Rate/Fixed Income Products	\$	13921
B. Currency	\$	13922
C. Equity Products	\$	13923
D. Commodity Products	\$	13924
E. Other	\$	13925

Total Gains or Losses on Derivative Trading Desks: \$ 13926

SUPPLEMENTAL STATEMENT OF INCOME

BROKER OR DEALER

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933

CATHAY SECURITIES, INC.

Number of months included in this statement 3 3931

5. Net Gains or Losses on Principal Trades

A. Equities, ETFs and Closed End Funds.

Includes Dividends: 11030 \$ 13903

B. U.S. Government and Agencies. Includes interest: 11031 \$ 11032

C. Foreign Sovereign Debt. Includes interest: 11033 \$ 11034

D. Corporate Debt. Includes interest: 11035 \$ 11036

E. Mortgage-Backed and Other

Asset-Backed Securities. Includes interest 11037 \$ 11038

F. Municipals. Includes interest: 11039 \$ 13901

G. Foreign Exchange \$ 13902

H. Listed Options \$ 11040

I. OTC Options \$ 11041

J. Securities Based Swaps \$ 11042

K. All Other Swaps \$ 11043

L. Futures \$ 11044

M. Commodity Transactions \$ 13904

N. Other \$ 13951

O. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue  
(line 14030) (Do not complete Items A-N) \$ 11045

1. Is any portion of Item O related to municipal securities? 11046

Total Net Gains or Losses on Principal Trades: \$ 13950

6. Capital Gains (Losses) on Firm Investments \$ 13952

Includes Dividends and/or Interest: 11053

7. Interest / Rebate / Dividend Income

A. Securities Borrowings \$ 11060

B. Reverse Repurchase Transactions \$ 11061

C. Margin Interest \$ 13960 122

D. Interest earned from customer bank sweep (FDIC insured products) programs \$ 11062

E. Interest earned from customer fund sweeps into '40 Act Investments \$ 11063

F. Interest and/or Dividends on Securities held in Firm Inventory (not reported in  
Sections 4 or 5) \$ 11064

G. Other Interest \$ 13953

H. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue  
(line 14030) (Do not complete Items A-G) \$ 11065

Total Interest / Rebate / Dividend Income: \$ 122 11069

8. Revenue from Underwritings and Selling Group Participation

A. Municipal Offerings \$ 11070

B. Registered Offerings

1. Offerings other than self or affiliate. Excludes municipals \$ 11071

2. Offerings, self or affiliate. Excludes municipals \$ 11072

Total Revenue from Registered Offerings: \$ 11079

**SUPPLEMENTAL STATEMENT OF INCOME**

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
Number of months included in this statement 3 3931

C. Unregistered Offerings (Excludes municipal offerings) Sections below refer to Operational Page - See Instructions  
Did the broker or dealer filing this report participate in the sale of any unregistered offering during the reporting period for which it received no compensation? N 11080

1. Unregistered offerings, other than self or affiliate offerings. Section 1 ..... \$ 11081  
2. Unregistered offerings, self or affiliate offerings. Section 2 ..... \$ 11082

Total Revenue from Unregistered Offerings: \$ 11089

Total Revenue from Underwritings and Selling Group Participation: \$ 13955

**9. Fees Earned**

A. Fees earned from affiliated entities ..... \$ 11090  
B. Investment Banking Fees; M&A Advisory ..... \$ 11091  
C. Account Supervision and Investment Advisory Services ..... \$ 13975  
D. Administrative Fees ..... \$ 11092  
E. Revenue from Research Services ..... \$ 13980  
F. Rebates from Exchanges, ECNs, and ATSS ..... \$ 11093  
G. 12b-1 Fees ..... \$ 11094  
H. Mutual Fund Revenue other than Concessions or 12b-1 Fees ..... \$ 11095  
I. Execution Services ..... \$ 11096  
J. Clearing Services ..... \$ 11097  
K. Fees earned on customer bank sweep (FDIC insured products) programs ..... \$ 11098  
L. Fees earned from sweep programs into '40 Act Investments ..... \$ 11099  
M. Networking Fees from '40 Act Companies ..... \$ 11100  
N. Other Fees ..... \$ 11101  
O. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue  
(line 14030) (Do not complete Items A-N) ..... \$ 11102

Total Fees Earned: \$ 11109

10. Commodities Revenue ..... \$ 13990

**11. Other Revenue**

A. Total Revenue from sale of Certificates of Deposit (CDs) issued by an affiliate ..... \$ 11126  
B. Other Revenue ..... \$ 4,216 13995

If Other Revenue line 13995 is greater than both 10% of Total Revenue line 14030 and \$5,000, provide a description of the 3 largest components of Other Revenue, along with the associated revenue for each.

B-1. Description of : 1st largest component of Other Revenue:

11120 \$ 11121

B-2. Description of : 2nd largest component of Other Revenue:

11122 \$ 11123

B-3. Description of : 3rd largest component of Other Revenue:

11124 \$ 11125

Total Revenue: \$ 41,684 14030

**SUPPLEMENTAL STATEMENT OF INCOME**

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
Number of months included in this statement 3 3931

**EXPENSES**

**12. Compensation Expenses**

A. Registered Representatives Compensation .....	\$	<u>14110</u>	<u>14110</u>
B. Compensation paid to all other revenue producing personnel .....	\$	<u>14040</u>	<u>14040</u>
C. Compensation paid to non-revenue producing personnel (including temporary personnel) .....	\$	<u>11200</u>	<u>11200</u>
D. Bonuses .....	\$	<u>11201</u>	<u>11201</u>
E. Other compensation expenses .....	\$	<u>11202</u>	<u>11202</u>
F. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-E) .....	\$	<u>11203</u>	<u>11203</u>
<b>Total Compensation Expenses:</b>	\$	<u>11209</u>	<u>11209</u>

**13. Commission, Clearance and Custodial Expenses**

A. Floor brokerage and fees paid .....	\$	<u>14055</u>	<u>14055</u>
B. Amounts paid to Exchanges, ECNs, and ATSS .....	\$	<u>0</u>	<u>14145</u>
C. Clearance Fees Paid to broker-dealers .....	\$	<u>1,652</u>	<u>11210</u>
D. Clearance Fees Paid to non-broker-dealers .....	\$	<u>14135</u>	<u>14135</u>
E. Commission Paid to other broker-dealers .....	\$	<u>14140</u>	<u>14140</u>
F. 12b-1 Fees .....	\$	<u>11211</u>	<u>11211</u>
G. Custodial Fees .....	\$	<u>11212</u>	<u>11212</u>
H. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-G) .....	\$	<u>11213</u>	<u>11213</u>
<b>Total Commission, Clearance and Custodial Fees:</b>	\$	<u>1,652</u>	<u>11219</u>

**14. Expenses Incurred on Behalf of Affiliates and Others**

A. Soft dollar expenses .....	\$	<u>11220</u>	<u>11220</u>
B. Rebates/Recapture of commissions .....	\$	<u>11221</u>	<u>11221</u>
<b>Total Expenses incurred on Behalf of Affiliates and Others:</b>	\$	<u>11229</u>	<u>11229</u>

**15. Interest and Dividend Expenses**

A. Interest paid on bank loans .....	\$	<u>11230</u>	<u>11230</u>
B. Interest paid on debt instruments where broker-dealer is the obligor, including subordination agreements .....	\$	<u>11231</u>	<u>11231</u>
C. Interest paid on customer balances .....	\$	<u>11232</u>	<u>11232</u>
D. Interest paid on Securities Loaned transactions .....	\$	<u>11233</u>	<u>11233</u>
E. Interest paid on Repurchase Agreements .....	\$	<u>11234</u>	<u>11234</u>
F. Interest and/or Dividends on Short Securities Inventory .....	\$	<u>11235</u>	<u>11235</u>
G. Other interest expenses .....	\$	<u>11236</u>	<u>11236</u>
H. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-G) .....	\$	<u>11237</u>	<u>11237</u>
<b>Total Interest and Dividend Expenses:</b>	\$	<u>14075</u>	<u>14075</u>

**16. Fees Paid to Third Party Service Providers**

A. To Affiliates .....	\$	<u>11240</u>	<u>11240</u>
B. To Third Parties .....	\$	<u>11241</u>	<u>11241</u>
<b>Total Fees Paid to Third Party Service Providers:</b>	\$	<u>11249</u>	<u>11249</u>

**SUPPLEMENTAL STATEMENT OF INCOME**

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
Number of months included in this statement 3 3931

**17. General, Administrative, Regulatory and Miscellaneous Expenses**

A. Finders' Fees .....	\$		<span style="border: 1px solid black; padding: 0 2px;">11250</span>
B. Technology, data and communication costs .....	\$	7,124	<span style="border: 1px solid black; padding: 0 2px;">14060</span>
C. Research .....	\$		<span style="border: 1px solid black; padding: 0 2px;">11251</span>
D. Promotional Fees .....	\$		<span style="border: 1px solid black; padding: 0 2px;">14150</span>
E. Travel and Entertainment .....	\$		<span style="border: 1px solid black; padding: 0 2px;">11252</span>
F. Occupancy and equipment expenses .....	\$	23,798	<span style="border: 1px solid black; padding: 0 2px;">14080</span>
G. Non-recurring charges .....	\$		<span style="border: 1px solid black; padding: 0 2px;">14190</span>
H. Regulatory Fees .....	\$		<span style="border: 1px solid black; padding: 0 2px;">14195</span>
I. Professional Service Fees .....	\$	9,140	<span style="border: 1px solid black; padding: 0 2px;">11253</span>
J. Litigation, arbitration, settlement, restitution and rescission, and related outside counsel legal fees .....	\$		<span style="border: 1px solid black; padding: 0 2px;">11254</span>
K. Losses in error accounts and bad debts .....	\$		<span style="border: 1px solid black; padding: 0 2px;">14170</span>
L. State and local income taxes .....	\$		<span style="border: 1px solid black; padding: 0 2px;">11255</span>
M. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-L) .....	\$		<span style="border: 1px solid black; padding: 0 2px;">11256</span>
Total General, Administrative, Regulatory and Miscellaneous Expenses:	\$	40,062	<span style="border: 1px solid black; padding: 0 2px;">11269</span>

**18. Other Expenses**

A. Other Expenses .....	\$	4,362	<span style="border: 1px solid black; padding: 0 2px;">14100</span>
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If Other Expenses line 14100 is greater than both 10% of Total Expenses line 14200 and \$5,000, provide a description of the 3 largest components of Other Expenses, along with the associated expense for each.

A-1. Description of : 1st largest component of Other Expenses:

	<span style="border: 1px solid black; padding: 0 2px;">11280</span>	\$	<span style="border: 1px solid black; padding: 0 2px;">11281</span>
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A-2. Description of : 2nd largest component of Other Expenses:

	<span style="border: 1px solid black; padding: 0 2px;">11282</span>	\$	<span style="border: 1px solid black; padding: 0 2px;">11283</span>
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A-3. Description of : 3rd largest component of Other Expenses:

	<span style="border: 1px solid black; padding: 0 2px;">11284</span>	\$	<span style="border: 1px solid black; padding: 0 2px;">11285</span>
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Total Expenses:	\$	46,076	<span style="border: 1px solid black; padding: 0 2px;">14200</span>
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**NET INCOME**

**19. Net Income**

A. Income (loss) before Federal income taxes and items below .....	\$	(4,392)	<span style="border: 1px solid black; padding: 0 2px;">14210</span>
B. Provision for Federal income taxes (for parent only) .....	\$	0	<span style="border: 1px solid black; padding: 0 2px;">14220</span>
C. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....	\$	0	<span style="border: 1px solid black; padding: 0 2px;">14222</span>
D. Extraordinary gains (losses) .....	\$	0	<span style="border: 1px solid black; padding: 0 2px;">14224</span>
E. Cumulative effect of changes in accounting principles .....	\$	0	<span style="border: 1px solid black; padding: 0 2px;">14225</span>
F. Net income (loss) after Federal income taxes and extraordinary items .....	\$	(4,392)	<span style="border: 1px solid black; padding: 0 2px;">14230</span>

SUPPLEMENTAL STATEMENT OF INCOME  
OPERATIONAL PAGE

(Please read instructions before preparing Form)

SECTION 1: Unregistered offerings other than self or affiliate offerings

For each offering in which the firm participated in the Reporting Period, provide the following information. If firm engaged in more than five (5) such offerings during the Reporting Period, list the five (5) largest offerings in terms of total securities sold by dollar amount in descending order.

1. Unregistered offering other than self or affiliate offering:

A. Name of Issuer/Sponsor: \_\_\_\_\_  11310

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): .....  11311

C. Industry Group (Select One): .....  11312

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	.....	<input type="checkbox"/>	11313
Rule 504(b)(1)(i)	.....	<input type="checkbox"/>	19000
Rule 504(b)(1)(ii)	.....	<input type="checkbox"/>	19001
Rule 504(b)(1)(iii)	.....	<input type="checkbox"/>	19002
Rule 505	.....	<input type="checkbox"/>	19003
Rule 506	.....	<input type="checkbox"/>	19004
Securities Act Section 4(5)	.....	<input type="checkbox"/>	19005
Investment Company Act Section 3(c)	.....	<input type="checkbox"/>	19006
Other	.....	<input type="checkbox"/>	19007

E. Type(s) of Securities Offered (Select all that apply):

Equity	.....	<input type="checkbox"/>	11314
Debt	.....	<input type="checkbox"/>	19010
Option, Warrant or Other Right to Acquire Another Security	.....	<input type="checkbox"/>	19011
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	.....	<input type="checkbox"/>	19012
Pooled Investment Fund Interests	.....	<input type="checkbox"/>	19013
Tenant-in-Common Securities	.....	<input type="checkbox"/>	19014
Mineral Property Securities	.....	<input type="checkbox"/>	19015
Other	.....	<input type="checkbox"/>	19016

F. Minimum Investment accepted from any outside investor: ..... \$ \_\_\_\_\_  11315

G. Total Offering Amount in dollars: ..... \$ \_\_\_\_\_  11316  
 or check "Indefinite" ..... Indefinite  11317

H. Total amount in dollars of securities sold during the reporting period by the member: ..... \$ \_\_\_\_\_  11318

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: .....  11319

J. Amount of revenue earned by the member with respect to the sales reported for Item H: ..... \$ \_\_\_\_\_  11320

SUPPLEMENTAL STATEMENT OF INCOME  
OPERATIONAL PAGE

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
Number of months included in this statement 3 3931

2. Unregistered offering other than self or affiliate offering:

A. Name of Issuer/Sponsor: \_\_\_\_\_ 11330

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): \_\_\_\_\_ 11331

C. Industry Group (Select One): \_\_\_\_\_ 11332

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<span style="border: 1px solid black; padding: 0 2px;">11333</span>
Rule 504(b)(1)(i)	<span style="border: 1px solid black; padding: 0 2px;">19020</span>
Rule 504(b)(1)(ii)	<span style="border: 1px solid black; padding: 0 2px;">19021</span>
Rule 504(b)(1)(iii)	<span style="border: 1px solid black; padding: 0 2px;">19022</span>
Rule 505	<span style="border: 1px solid black; padding: 0 2px;">19023</span>
Rule 506	<span style="border: 1px solid black; padding: 0 2px;">19024</span>
Securities Act Section 4(5)	<span style="border: 1px solid black; padding: 0 2px;">19025</span>
Investment Company Act Section 3(c)	<span style="border: 1px solid black; padding: 0 2px;">19026</span>
Other	<span style="border: 1px solid black; padding: 0 2px;">19027</span>

E. Type(s) of Securities Offered (Select all that apply):

Equity	<span style="border: 1px solid black; padding: 0 2px;">11334</span>
Debt	<span style="border: 1px solid black; padding: 0 2px;">19030</span>
Option, Warrant or Other Right to Acquire Another Security	<span style="border: 1px solid black; padding: 0 2px;">19031</span>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<span style="border: 1px solid black; padding: 0 2px;">19032</span>
Pooled Investment Fund Interests	<span style="border: 1px solid black; padding: 0 2px;">19033</span>
Tenant-in-Common Securities	<span style="border: 1px solid black; padding: 0 2px;">19034</span>
Mineral Property Securities	<span style="border: 1px solid black; padding: 0 2px;">19035</span>
Other	<span style="border: 1px solid black; padding: 0 2px;">19036</span>

F. Minimum Investment accepted from any outside investor: \_\_\_\_\_ \$ \_\_\_\_\_ 11335

G. Total Offering Amount in dollars: \_\_\_\_\_ \$ \_\_\_\_\_ 11336  
or check "Indefinite" \_\_\_\_\_ Indefinite 11337

H. Total amount in dollars of securities sold during the reporting period by the member: \_\_\_\_\_ \$ \_\_\_\_\_ 11338

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: \_\_\_\_\_ 11339

J. Amount of revenue earned by the member with respect to the sales reported for Item H: \_\_\_\_\_ \$ \_\_\_\_\_ 11340

SUPPLEMENTAL STATEMENT OF INCOME  
OPERATIONAL PAGE

BROKER OR DEALER

For the period (MMDDYY) from 10/01/13  to 12/31/13

CATHAY SECURITIES, INC.

Number of months included in this statement 3

3. Unregistered offering other than self or affiliate offering:

A. Name of Issuer/Sponsor: \_\_\_\_\_

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): .....

C. Industry Group (Select One): .....

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<input type="text" value="11353"/>
Rule 504(b)(1)(i)	<input type="text" value="19040"/>
Rule 504(b)(1)(ii)	<input type="text" value="19041"/>
Rule 504(b)(1)(iii)	<input type="text" value="19042"/>
Rule 505	<input type="text" value="19043"/>
Rule 506	<input type="text" value="19044"/>
Securities Act Section 4(5)	<input type="text" value="19045"/>
Investment Company Act Section 3(c)	<input type="text" value="19046"/>
Other	<input type="text" value="19047"/>

E. Type(s) of Securities Offered (Select all that apply):

Equity	<input type="text" value="11354"/>
Debt	<input type="text" value="19050"/>
Option, Warrant or Other Right to Acquire Another Security	<input type="text" value="19051"/>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<input type="text" value="19052"/>
Pooled Investment Fund Interests	<input type="text" value="19053"/>
Tenant-in-Common Securities	<input type="text" value="19054"/>
Mineral Property Securities	<input type="text" value="19055"/>
Other	<input type="text" value="19056"/>

F. Minimum Investment accepted from any outside investor: ..... \$ \_\_\_\_\_

G. Total Offering Amount in dollars: ..... \$ \_\_\_\_\_   
or check "Indefinite" ..... Indefinite

H. Total amount in dollars of securities sold during the reporting period by the member: ..... \$ \_\_\_\_\_

I. Total number of customers to whom securities were sold with respect to  
the sales reported for Item H: .....

J. Amount of revenue earned by the member with respect to  
the sales reported for Item H: ..... \$ \_\_\_\_\_

SUPPLEMENTAL STATEMENT OF INCOME  
OPERATIONAL PAGE

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
Number of months included in this statement 3 3931

4. Unregistered offering other than self or affiliate offering:

A. Name of Issuer/Sponsor: \_\_\_\_\_ 11370

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): ..... 11371

C. Industry Group (Select One): ..... 11372

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<span style="border: 1px solid black; padding: 0 2px;">11373</span>
Rule 504(b)(1)(i)	<span style="border: 1px solid black; padding: 0 2px;">19060</span>
Rule 504(b)(1)(ii)	<span style="border: 1px solid black; padding: 0 2px;">19061</span>
Rule 504(b)(1)(iii)	<span style="border: 1px solid black; padding: 0 2px;">19062</span>
Rule 505	<span style="border: 1px solid black; padding: 0 2px;">19063</span>
Rule 506	<span style="border: 1px solid black; padding: 0 2px;">19064</span>
Securities Act Section 4(5)	<span style="border: 1px solid black; padding: 0 2px;">19065</span>
Investment Company Act Section 3(c)	<span style="border: 1px solid black; padding: 0 2px;">19066</span>
Other	<span style="border: 1px solid black; padding: 0 2px;">19067</span>

E. Type(s) of Securities Offered (Select all that apply):

Equity	<span style="border: 1px solid black; padding: 0 2px;">11374</span>
Debt	<span style="border: 1px solid black; padding: 0 2px;">19070</span>
Option, Warrant or Other Right to Acquire Another Security	<span style="border: 1px solid black; padding: 0 2px;">19071</span>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<span style="border: 1px solid black; padding: 0 2px;">19072</span>
Pooled Investment Fund Interests	<span style="border: 1px solid black; padding: 0 2px;">19073</span>
Tenant-in-Common Securities	<span style="border: 1px solid black; padding: 0 2px;">19074</span>
Mineral Property Securities	<span style="border: 1px solid black; padding: 0 2px;">19075</span>
Other	<span style="border: 1px solid black; padding: 0 2px;">19076</span>

F. Minimum Investment accepted from any outside investor: ..... \$ 11375

G. Total Offering Amount in dollars: ..... \$ 11376  
or check "Indefinite" ..... Indefinite 11377

H. Total amount in dollars of securities sold during the reporting period by the member: ..... \$ 11378

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: ..... 11379

J. Amount of revenue earned by the member with respect to the sales reported for Item H: ..... \$ 11380

SUPPLEMENTAL STATEMENT OF INCOME  
OPERATIONAL PAGE

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13  to 12/31/13   
Number of months included in this statement 3

5. Unregistered offering other than self or affiliate offering:

A. Name of Issuer/Sponsor: \_\_\_\_\_

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): .....

C. Industry Group (Select One): .....

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	.....	<input type="text" value="11393"/>
Rule 504(b)(1)(i)	.....	<input type="text" value="19080"/>
Rule 504(b)(1)(ii)	.....	<input type="text" value="19081"/>
Rule 504(b)(1)(iii)	.....	<input type="text" value="19082"/>
Rule 505	.....	<input type="text" value="19083"/>
Rule 506	.....	<input type="text" value="19084"/>
Securities Act Section 4(5)	.....	<input type="text" value="19085"/>
Investment Company Act Section 3(c)	.....	<input type="text" value="19086"/>
Other	.....	<input type="text" value="19087"/>

E. Type(s) of Securities Offered (Select all that apply):

Equity	.....	<input type="text" value="11394"/>
Debt	.....	<input type="text" value="19090"/>
Option, Warrant or Other Right to Acquire Another Security	.....	<input type="text" value="19091"/>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	.....	<input type="text" value="19092"/>
Pooled Investment Fund Interests	.....	<input type="text" value="19093"/>
Tenant-in-Common Securities	.....	<input type="text" value="19094"/>
Mineral Property Securities	.....	<input type="text" value="19095"/>
Other	.....	<input type="text" value="19096"/>

F. Minimum Investment accepted from any outside investor: ..... \$ \_\_\_\_\_

G. Total Offering Amount in dollars: ..... \$ \_\_\_\_\_   
or check "Indefinite" ..... Indefinite

H. Total amount in dollars of securities sold during the reporting period by the member: ..... \$ \_\_\_\_\_

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: .....

J. Amount of revenue earned by the member with respect to the sales reported for Item H: ..... \$ \_\_\_\_\_

SUPPLEMENTAL STATEMENT OF INCOME  
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BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13  to 12/31/13   
Number of months included in this statement 3

**SECTION 2: Unregistered offerings; self or affiliate offerings**

For each offering in which the firm participated in the Reporting Period, provide the following information. If firm engaged in more than five (5) such offerings during the Reporting Period, list the five (5) largest offerings in terms of total securities sold by dollar amount in descending order.

**6. Unregistered offerings; self or affiliate offerings:**

A. Name of Issuer/Sponsor: \_\_\_\_\_

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): \_\_\_\_\_

C. Industry Group (Select One): \_\_\_\_\_

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<input type="text" value="11413"/>
Rule 504(b)(1)(i)	<input type="text" value="19100"/>
Rule 504(b)(1)(ii)	<input type="text" value="19101"/>
Rule 504(b)(1)(iii)	<input type="text" value="19102"/>
Rule 505	<input type="text" value="19103"/>
Rule 506	<input type="text" value="19104"/>
Securities Act Section 4(5)	<input type="text" value="19105"/>
Investment Company Act Section 3(c)	<input type="text" value="19106"/>
Other	<input type="text" value="19107"/>

E. Type(s) of Securities Offered (Select all that apply):

Equity	<input type="text" value="11414"/>
Debt	<input type="text" value="19110"/>
Option, Warrant or Other Right to Acquire Another Security	<input type="text" value="19111"/>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<input type="text" value="19112"/>
Pooled Investment Fund Interests	<input type="text" value="19113"/>
Tenant-in-Common Securities	<input type="text" value="19114"/>
Mineral Property Securities	<input type="text" value="19115"/>
Other	<input type="text" value="19116"/>

F. Minimum Investment accepted from any outside investor: \_\_\_\_\_ \$ \_\_\_\_\_

G. Total Offering Amount in dollars: \_\_\_\_\_ \$ \_\_\_\_\_   
or check "Indefinite" \_\_\_\_\_ Indefinite

H. Total amount in dollars of securities sold during the reporting period by the member: \_\_\_\_\_ \$ \_\_\_\_\_

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: \_\_\_\_\_

J. Amount of revenue earned by the member with respect to the sales reported for Item H: \_\_\_\_\_ \$ \_\_\_\_\_

K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One): \_\_\_\_\_

SUPPLEMENTAL STATEMENT OF INCOME  
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BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13  to 12/31/13   
Number of months included in this statement 3

7. Unregistered offerings; self or affiliate offerings:

A. Name of Issuer/Sponsor: \_\_\_\_\_

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): .....

C. Industry Group (Select One): .....

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	.....	<input type="text" value="11433"/>
Rule 504(b)(1)(i)	.....	<input type="text" value="19120"/>
Rule 504(b)(1)(ii)	.....	<input type="text" value="19121"/>
Rule 504(b)(1)(iii)	.....	<input type="text" value="19122"/>
Rule 505	.....	<input type="text" value="19123"/>
Rule 506	.....	<input type="text" value="19124"/>
Securities Act Section 4(5)	.....	<input type="text" value="19125"/>
Investment Company Act Section 3(c)	.....	<input type="text" value="19126"/>
Other	.....	<input type="text" value="19127"/>

E. Type(s) of Securities Offered (Select all that apply):

Equity	.....	<input type="text" value="11434"/>
Debt	.....	<input type="text" value="19130"/>
Option, Warrant or Other Right to Acquire Another Security	.....	<input type="text" value="19131"/>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	.....	<input type="text" value="19132"/>
Pooled Investment Fund Interests	.....	<input type="text" value="19133"/>
Tenant-in-Common Securities	.....	<input type="text" value="19134"/>
Mineral Property Securities	.....	<input type="text" value="19135"/>
Other	.....	<input type="text" value="19136"/>

F. Minimum Investment accepted from any outside investor: ..... \$ \_\_\_\_\_

G. Total Offering Amount in dollars: ..... \$ \_\_\_\_\_   
or check "Indefinite" ..... Indefinite

H. Total amount in dollars of securities sold during the reporting period by the member: ..... \$ \_\_\_\_\_

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: .....

J. Amount of revenue earned by the member with respect to the sales reported for Item H: ..... \$ \_\_\_\_\_

K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One): ...

SUPPLEMENTAL STATEMENT OF INCOME  
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BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13  to 12/31/13   
Number of months included in this statement 3

8. Unregistered offerings; self or affiliate offerings:

A. Name of Issuer/Sponsor: \_\_\_\_\_

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): \_\_\_\_\_

C. Industry Group (Select One): \_\_\_\_\_

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<input type="text" value="11453"/>
Rule 504(b)(1)(i)	<input type="text" value="19140"/>
Rule 504(b)(1)(ii)	<input type="text" value="19141"/>
Rule 504(b)(1)(iii)	<input type="text" value="19142"/>
Rule 505	<input type="text" value="19143"/>
Rule 506	<input type="text" value="19144"/>
Securities Act Section 4(5)	<input type="text" value="19145"/>
Investment Company Act Section 3(c)	<input type="text" value="19146"/>
Other	<input type="text" value="19147"/>

E. Type(s) of Securities Offered (Select all that apply):

Equity	<input type="text" value="11454"/>
Debt	<input type="text" value="19150"/>
Option, Warrant or Other Right to Acquire Another Security	<input type="text" value="19151"/>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<input type="text" value="19152"/>
Pooled Investment Fund Interests	<input type="text" value="19153"/>
Tenant-in-Common Securities	<input type="text" value="19154"/>
Mineral Property Securities	<input type="text" value="19155"/>
Other	<input type="text" value="19156"/>

F. Minimum Investment accepted from any outside investor: \_\_\_\_\_ \$ \_\_\_\_\_

G. Total Offering Amount in dollars: \_\_\_\_\_ \$ \_\_\_\_\_   
or check "Indefinite" \_\_\_\_\_ Indefinite

H. Total amount in dollars of securities sold during the reporting period by the member: \_\_\_\_\_ \$ \_\_\_\_\_

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: \_\_\_\_\_

J. Amount of revenue earned by the member with respect to the sales reported for Item H: \_\_\_\_\_ \$ \_\_\_\_\_

K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One): ... \_\_\_\_\_

SUPPLEMENTAL STATEMENT OF INCOME  
OPERATIONAL PAGE

BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13  to 12/31/13   
Number of months included in this statement 3

9. Unregistered offerings; self or affiliate offerings:

A. Name of Issuer/Sponsor: \_\_\_\_\_

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): .....

C. Industry Group (Select One): .....

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<input type="checkbox"/> 11473
Rule 504(b)(1)(i)	<input type="checkbox"/> 19160
Rule 504(b)(1)(ii)	<input type="checkbox"/> 19161
Rule 504(b)(1)(iii)	<input type="checkbox"/> 19162
Rule 505	<input type="checkbox"/> 19163
Rule 506	<input type="checkbox"/> 19164
Securities Act Section 4(5)	<input type="checkbox"/> 19165
Investment Company Act Section 3(c)	<input type="checkbox"/> 19166
Other	<input type="checkbox"/> 19167

E. Type(s) of Securities Offered (Select all that apply):

Equity	<input type="checkbox"/> 11474
Debt	<input type="checkbox"/> 19170
Option, Warrant or Other Right to Acquire Another Security	<input type="checkbox"/> 19171
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<input type="checkbox"/> 19172
Pooled Investment Fund Interests	<input type="checkbox"/> 19173
Tenant-in-Common Securities	<input type="checkbox"/> 19174
Mineral Property Securities	<input type="checkbox"/> 19175
Other	<input type="checkbox"/> 19176

F. Minimum Investment accepted from any outside investor: ..... \$ \_\_\_\_\_

G. Total Offering Amount in dollars: ..... \$ \_\_\_\_\_   
or check "Indefinite" ..... Indefinite  11477

H. Total amount in dollars of securities sold during the reporting period by the member: ..... \$ \_\_\_\_\_

I. Total number of customers to whom securities were sold with respect to  
the sales reported for Item H: .....

J. Amount of revenue earned by the member with respect to  
the sales reported for Item H: ..... \$ \_\_\_\_\_

K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One): .....

SUPPLEMENTAL STATEMENT OF INCOME  
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BROKER OR DEALER  
CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/13 3932 to 12/31/13 3933  
Number of months included in this statement 3 3931

10. Unregistered offerings; self or affiliate offerings:

A. Name of Issuer/Sponsor: \_\_\_\_\_ 11490

B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): \_\_\_\_\_ 11491

C. Industry Group (Select One): \_\_\_\_\_ 11492

D. Federal Exemptions and Exclusions Claimed (Select all that apply):

Rule 504(b)(1) (not (i) (ii) or (iii))	<span style="border: 1px solid black; padding: 0 2px;">11493</span>
Rule 504(b)(1)(i)	<span style="border: 1px solid black; padding: 0 2px;">19180</span>
Rule 504(b)(1)(ii)	<span style="border: 1px solid black; padding: 0 2px;">19181</span>
Rule 504(b)(1)(iii)	<span style="border: 1px solid black; padding: 0 2px;">19182</span>
Rule 505	<span style="border: 1px solid black; padding: 0 2px;">19183</span>
Rule 506	<span style="border: 1px solid black; padding: 0 2px;">19184</span>
Securities Act Section 4(5)	<span style="border: 1px solid black; padding: 0 2px;">19185</span>
Investment Company Act Section 3(c)	<span style="border: 1px solid black; padding: 0 2px;">19186</span>
Other	<span style="border: 1px solid black; padding: 0 2px;">19187</span>

E. Type(s) of Securities Offered (Select all that apply):

Equity	<span style="border: 1px solid black; padding: 0 2px;">11494</span>
Debt	<span style="border: 1px solid black; padding: 0 2px;">19190</span>
Option, Warrant or Other Right to Acquire Another Security	<span style="border: 1px solid black; padding: 0 2px;">19191</span>
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	<span style="border: 1px solid black; padding: 0 2px;">19192</span>
Pooled Investment Fund Interests	<span style="border: 1px solid black; padding: 0 2px;">19193</span>
Tenant-in-Common Securities	<span style="border: 1px solid black; padding: 0 2px;">19194</span>
Mineral Property Securities	<span style="border: 1px solid black; padding: 0 2px;">19195</span>
Other	<span style="border: 1px solid black; padding: 0 2px;">19196</span>

F. Minimum Investment accepted from any outside investor: \_\_\_\_\_ \$ \_\_\_\_\_ 11495

G. Total Offering Amount in dollars: \_\_\_\_\_ \$ \_\_\_\_\_ 11496  
or check "Indefinite" \_\_\_\_\_ Indefinite 11497

H. Total amount in dollars of securities sold during the reporting period by the member: \_\_\_\_\_ \$ \_\_\_\_\_ 11498

I. Total number of customers to whom securities were sold with respect to the sales reported for Item H: \_\_\_\_\_ 11499

J. Amount of revenue earned by the member with respect to the sales reported for Item H: \_\_\_\_\_ \$ \_\_\_\_\_ 11500

K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One): \_\_\_\_\_ 11501

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

FORM  
X-17A-5

**FOCUS REPORT**  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)

**Schedule I**

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17a-5

Report for the Calendar Year 2013   
or if less than 12 months

Report for the period beginning 01/01/01  and ending 12/31/13   
MM DD YY MM DD YY

SEC FILE NUMBER
8-39247
<input type="text" value="8011"/>

1. NAME OF BROKER DEALER	<input type="text" value="8020"/>	N	9	OFFICIAL USE ONLY	<input type="text" value="8011"/>
CATHAY SECURITIES, INC.				Firm No	M M Y Y

2. Name(s) of broker-dealer(s) merging with respondent during reporting period:

NAME :	<input type="text" value="8053"/>	OFFICIAL USE ONLY	<input type="text" value="8057"/>
NAME :	<input type="text" value="8054"/>		<input type="text" value="8058"/>
NAME :	<input type="text" value="8055"/>		<input type="text" value="8059"/>
NAME :	<input type="text" value="8056"/>		<input type="text" value="8060"/>

3. Respondent conducts a securities business exclusively with registered broker-dealers:  
(enter applicable code: 1=Yes 2=No)

4. Respondent is registered as a specialist on a national securities exchange:  
(enter applicable code: 1=Yes 2=No)

5. Respondent makes markets in the following securities:

(a) equity securities	(enter applicable code: 1=Yes 2=No)	<input type="text" value="2"/>	<input type="text" value="8075"/>
(b) municipals	(enter applicable code: 1=Yes 2=No)	<input type="text" value="2"/>	<input type="text" value="8076"/>
(c) other debt instruments	(enter applicable code: 1=Yes 2=No)	<input type="text" value="2"/>	<input type="text" value="8077"/>

6. Respondent is registered solely as a municipal bond dealer:  
(enter applicable code: 1=Yes 2=No)

7. Respondent is an insurance company or an affiliate of an insurance company:  
(enter applicable code: 1=Yes 2=No)

8. Respondent carries its own public customer accounts:  
(enter applicable code: 1=Yes 2=No)

9. Respondent's total number of public customer accounts:  
(carrying firms filing X-17A-5 Part II only)

(a) Public customer accounts	<input type="text" value="0"/>	<input type="text" value="8080"/>
(b) Omnibus accounts	<input type="text" value="0"/>	<input type="text" value="8081"/>

10. Respondent clears its public customer and/or proprietary accounts:  
(enter applicable code: 1=Yes 2=No)

**FOCUS REPORT**  
**Schedule I**  
**page 2**

11. Respondent clears its public customer accounts in the following manner:

(enter a "1" in appropriate boxes)

- (a) Direct Mail (New York Stock Exchange Members Only) .....  8086
- (b) Self-Clearing .....  8087
- (c) Omnibus .....  8088
- (d) Introducing .....  8089
- (e) Other .....  8090

If Other please describe:

- (f) Not applicable .....  8091

12.(a) Respondent maintains membership(s) on national securities exchanges(s):

(enter applicable code 1=Yes 2=No)

8100

(b) Names of national securities exchange(s) in which respondent maintains memberships:

(enter a "1" in appropriate boxes)

- (1) NYSE AMEX, LLC .....  8120
- (2) Boston .....  8121
- (3) CBOE .....  8122
- (4) Midwest .....  8123
- (5) New York .....  8124
- (6) Philadelphia .....  8125
- (7) Pacific Coast .....  8126
- (8) Other .....  8129

13. Employees:

(a) Number of full-time employees .....  8101

(b) Number of full-time registered representatives employed by respondent included in 13(a) ...  8102

14. Number of NASDAQ stocks respondent makes market

8103

15. Total number of underwriting syndicates respondent was a member

8104

Carrying or clearing firms filing X-17A Part II)

16. Number of respondent's public customer transactions:      Actual .....  8105  
    Estimate .....  8106

(a) equity securities transactions effected on a national securities exchange .....  8107

(b) equity securities transactions effected other than on a national securities exchange .....  8108

(c) commodity, bond, option and other transactions effected on or off a national securities exchange .....  8109

**FOCUS REPORT**  
**Schedule I**  
**page 3**

17. Respondent is a member of the Securities Investor Protection Corporation  
(enter applicable code 1=Yes 2=No)  8111

18. Number of branch offices operated by respondent .....  8112

19. (a) Respondent directly or indirectly controls, is controlled by, or is under  
common control with, a U.S. bank (enter applicable code 1=Yes 2=No) .....  8130

(b) Name of parent or affiliate

(c) Type of institution

20. Respondent is an affiliate or subsidiary of a foreign broker-dealer or bank  
(enter applicable code 1=Yes 2=No)  8113

21. (a) Respondent is a subsidiary of a registered broker-dealer  
(enter applicable code 1=Yes 2=No)  8114

(b) Name of parent

22. Respondent is a subsidiary of a parent which is not a registered broker or dealer  
(enter applicable code 1=Yes 2=No)  8115

23. Respondent sends quarterly statements to customers pursuant to  
10b-10(b) in lieu of daily or immediate confirmations:  
(enter applicable code 1=Yes 2=No)\*  8117

24. Aggregate Dollar Amount of Non-Exempted OTC Sales of Exchange-Listed  
Securities Done by Respondent During the Reporting Period ..... \$  8118

\*Required in any Schedule I filed for the calendar year 1978 and succeeding years

FINRA Miscellaneous Information	
Annual Municipal Income	\$ <input type="text" value="g"/> 8151