

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response..... 12.00



15045910

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

Mail Processing  
Section

FEB 27 2015

SEC FILE NUMBER  
8-34532

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 01/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: QUEST CAPITAL STRATEGIES, INC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

23832 ROCKFIELD BLVD., #130

(No. and Street)

LAKE FOREST

(City)

CA

(State)

92630

(Zip Code)

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

CAROLYNE TSAI

949-830-4885, EXT:208

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

KCCW ACCOUNTANCY CORP

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

22632 GOLDEN SPRINGS DR. #230

(Address)

DIAMOND BAR

(City)

CA

(State)

91765

(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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

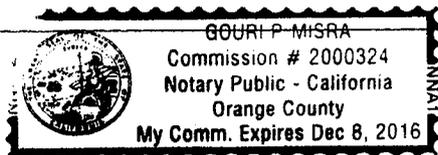
92/3/4/15

OATH OR AFFIRMATION

I, CAROLYNE TSAI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of QUEST CAPITAL STRATEGIES, INC, as of DECEMBER 31, 2014, 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:

QUEST CAPITAL STRATEGIES RETIREMENT PLAN and DEFINED BENEFIT PLAN

CAROLYNE TSAI INDIVIDUAL RETIREMENT AND CUSTODIAL ACCOUNTS



Signature
C.F.O
Title

Gouri Misra
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition 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.

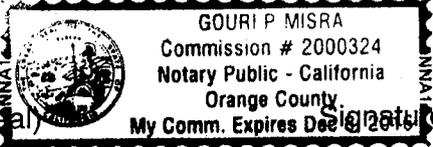
\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Orange

Subscribed and sworn to (or affirmed) before me on this 26<sup>th</sup>  
day of February, 2015, by Carolyn Tsai

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.

(Seal)  GOURI P. MISRA  
Commission # 2000324  
Notary Public - California  
Orange County  
My Comm. Expires Dec 12, 2016  
Signature: Gouri P. Misra



Audit • Tax • Consulting • Financial Advisory  
*Registered with Public Company Accounting Oversight Board (PCAOB)*

**QUEST CAPITAL STRATEGIES, INC.**

**FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT REGISTERED PUBLICACCOUNTING FIRM**

**December 31, 2014**

**QUEST CAPITAL STRATEGIES, INC.**  
**TABLE OF CONTENTS**  
**December 31, 2014**

Report of Independent Registered Public Accounting Firm.....F-1

Financial Statements:

Statement of Financial Condition.....F-2

Statement of Income and Comprehensive Income.....F-3

Statement of Stockholders' Equity.....F-5

Statement of Cash Flows.....F-6

Notes to Financial Statements.....F-7

Supplementary Information:

Schedule I - Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission.....F-15

Schedule II - Computation for Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission.....F-16

Schedule III - Information Relating to Possession or Control Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission.....F-17

Schedule IV - Schedule of Changes in Liabilities Subordinated to Claims of Creditors.....F-18

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Quest Capital Strategies, Inc.:

We have audited the accompanying balance sheet of Quest Capital Strategies, Inc. (the “Company”) as of December 31, 2014, and the related statement of income and comprehensive income, stockholders’ equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quest Capital Strategies, Inc. as of December 31, 2014 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information contained in Schedules I, II, III, and IV (the “Supplemental Information”) has been subject to audit procedures performed in conjunction with the audit of Quest Capital Strategies, Inc.’s financial statements. The Supplemental Information is the responsibility of Quest Capital Strategies, Inc.’s management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the information contained in Schedules I, II, III, and IV is fairly stated, in all material respects, in relation to the financial statements as a whole.



KCCW Accountancy Corp.

Diamond Bar, California  
February 25, 2015

**Quest Capital Strategies, Inc.**  
**Statement of Financial Condition**  
**December 31, 2014**

---

**ASSETS**

<b>Current assets:</b>	
Cash and cash equivalents	\$ 489,726
Commissions receivable	238,549
Other receivable	3,229
Prepaid expenses	3,187
Securities owned (Note 3)	3,009
<b>Total current assets</b>	<b>737,700</b>
<b>Property and equipment, net (Notes 2 and 4)</b>	12,166
<b>Deposits and other assets</b>	<b>5,808</b>
<b>Total assets</b>	<b>\$ 755,674</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Current liabilities</b>	
Accrued expenses	\$ 37,166
Commissions payable	101,722
Retirement plans payable	55,730
License fees payable	157,904
<b>Total current liabilities</b>	<b>352,522</b>
<b>Pension liability (Note 9)</b>	<b>273,217</b>
<b>Total liabilities</b>	<b>625,739</b>
<b>Commitments (Note 5)</b>	<b>-</b>
<b>Stockholders' equity</b>	
Common stock, no par value; 116.14 shares authorized; 100 shares and outstanding	10,000
Accumulated other comprehensive loss	(167,780)
Retained earnings	287,715
<b>Total stockholders' equity</b>	<b>129,935</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 755,674</b>

The accompanying notes are an integral part of financial statements.

**Quest Capital Strategies, Inc.**  
**Statement of Income and Comprehensive Income**  
**For The Year Ended December 31, 2014**

---

<b>Revenues:</b>	
Commissions	\$ 3,684,405
Annual fess	582,419
Advisory fees	244,748
Administrative services	54,189
Other income	111,718
Interest and dividends	470
Net realized gains on securities	619
Net unrealized losses on securities	<u>(1,054)</u>
<b>Total revenues</b>	<u>4,677,514</u>
<b>Operating expenses:</b>	
Commission expense	2,408,002
Employee compensation and benefits	911,089
Trading overhead	71,038
Office expense	73,823
Rent	80,280
Legal and professional	14,396
License and fees expense	94,435
Other expenses	10,626
Advertising and promotion	14,090
Travel	8,435
Insurance	8,544
Depreciation	<u>4,373</u>
<b>Total operating expenses</b>	<u>3,699,131</u>
<b>Income before provision for income taxes</b>	978,383
<b>Provision for income taxes</b>	<u>23,707</u>
<b>Net income</b>	<u>954,676</u>

**Quest Capital Strategies, Inc.**  
**Statement of Income and Comprehensive Income (Continued)**  
**For The Year Ended December 31, 2014**

---

<b>Other comprehensive income, net of tax:</b>	
Defined benefit pension plan:	
Net loss arising during current period	(299,164)
Net gain arising during prior period	148,272
Minimum amortization of actuarial gain	<u>(8,892)</u>
Total other comprehensive loss, net of tax	<u>(159,784)</u>
<b>Comprehensive income</b>	<b>\$ <u>794,892</u></b>

The accompanying notes are an integral part of financial statements.

**Quest Capital Strategies, Inc.**  
**Statement of Stockholders' Equity**  
**For The Year Ended December 31, 2014**

	<u>Common stock</u>		<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>		<u>Income</u>	
Balance, December 31, 2013	100	\$ 10,000	\$ 213,039	\$ (7,996)	\$ 215,043
Net actuarial gain arising during prior period	-	-	-	148,272	148,272
Adjusted balance, December 31, 2013	100	10,000	213,039	140,276	363,315
Stockholder's distributions	-	-	(880,000)	-	(880,000)
Net income	-	-	954,676	-	954,676
Other comprehensive loss, net of tax	-	-	-	(308,056)	(308,056)
Balance, December 31, 2014	<u>100</u>	<u>\$ 10,000</u>	<u>\$ 287,715</u>	<u>\$ (167,780)</u>	<u>\$ 129,935</u>

The accompanying notes are an integral part of financial statements.

**Quest Capital Strategies, Inc.**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2014**

---

<b>Cash flows from operating activities</b>	
Net income	\$ 954,676
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	4,373
Pension expense	113,433
Unrealized loss on marketable securities, net	1,054
Changes in current assets and liabilities	
Increase in commissions receivable	(30,026)
Decrease in other receivable	935
Decrease in prepaid expenses	7,144
Decrease in accrued expenses	(23,417)
Decrease in commissions payable	(7,087)
Decrease in retirement plan payable	(102,879)
Increase in license fees payable	63,285
Net cash provided by operating activities	<u>981,491</u>
 <b>Cash flows from investing activities</b>	
Purchase of machinery and equipment	(2,541)
Principal withdrawals of marketable securities	22
Net cash used in investing activities	<u>(2,519)</u>
 <b>Cash flows from financing activities</b>	
Stockholders' distributions	(880,000)
Net cash used in financing activities	<u>(880,000)</u>
 <b>Net increase in cash</b>	 98,972
<b>Cash and cash equivalents, beginning of the year</b>	<u>390,754</u>
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 489,726</u>
 <b>Supplemental disclosure of cash information</b>	
Income taxes paid	<u>\$ 13,788</u>

The accompanying notes are an integral part of financial statements.

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 1: ORGANIZATION**

Quest Capital Strategies, Inc. (the “Company”) is primarily engaged in the business of securities brokerage. The Company operates under the provisions of paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that Rule. Essentially, the requirements of paragraph (k)(2)(ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers, maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

The Company considers cash equivalents to be all highly liquid debt instruments purchased with an original maturity date of three (3) months or less. The Company maintains a \$55,000 deposit with its clearing broker/dealer.

**Fair Value Measurements**

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the authoritative guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require us to develop our own assumptions.

This hierarchy requires companies to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, the Company measures certain financial assets and liabilities at fair value, including our marketable securities.

The Company’s cash equivalents and marketable securities instruments are classified within Level 1 and Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker-dealer quotations, or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on quoted market prices in active markets include most U.S. government and agency securities, and money market securities. Such instruments are generally classified within Level 1 of the fair value hierarchy. The types of instruments valued based on other observable inputs include investment-grade corporate bonds, mortgage-backed and asset-backed products, commercial paper, and state, municipal and provincial obligations. Such instruments are generally classified within Level 2 of the fair value hierarchy.

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates made in preparing the financial statements include the realizability of long lived assets.

**Property and Equipment**

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, currently five to seven years. Repairs and maintenance costs are expensed as incurred and expenditures for additions and major improvements are capitalized.

**Securities Transactions**

Proprietary securities transactions, commission revenue and related expenses are recorded on a settlement date basis. Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

**Income Taxes**

The Company is an S Corporation for income tax purposes and, accordingly, income or loss of the Company flows through to the individual stockholder. The Finn is subject to California state income tax, which is the greater of \$800 or 1.5% of taxable income and, accordingly, a provision for such taxes has been included in the accompanying financial statements. Deferred tax was immaterial for the year ended December 31, 2014.

**NOTE 3: SECURITIES OWNED**

The Company's securities investments are classified as trading securities. The Company only purchases securities for the purpose of assisting customers in selling their thinly traded or worthless securities. Trading securities consist solely of equity securities and are recorded at fair value on the balance sheet in current assets and, with the change in fair value during the period included in earnings. Securities owned at December 31, 2014 consisted solely of marketable equity securities.

Realized gains and losses are determined on the basis of actual results on investments. Realized and unrealized gains on marketable securities were as follows:

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 3: SECURITIES OWNED (CONTINUED)**

	<b>Gross Unrealized Gain</b>	<b>Gross Unrealized Loss</b>
Trading securities		
Marketable equity securities	\$ -	\$ (1,054)
	<b>Gross Realized Gain</b>	<b>Gross Realized Loss</b>
Trading securities		
Marketable equity securities	\$ 619	\$ -

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2014 consisted of the following:

Property and equipment	\$ 92,419
Less: accumulated depreciation	(80,253)
Property and equipment, net	\$ 12,166

**NOTE 5: COMMITMENTS**

**Operating lease**

On March 17, 2014, the Company entered into the second amendment to lease with KP Rockfield LLC. The original lease with KP Rockfield LLC expires on July 31, 2014. This amendment extended the original lease term for 64 months, from August 1, 2014 to Nov 30, 2019. The operating lease calls for monthly payments of rent, common area maintenance, insurance and property taxes. The lease provides for an increase in the monthly lease rate approximately every 12 months. Future minimum payments by year due under the operating lease agreement are as follows:

<b>For the year ended December 31,</b>	<b>Amount</b>
2015	\$ 63,149
2016	65,181
2017	67,212
2018	69,244
2019 and thereafter	65,181
	\$ 329,967

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 6: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the “applicable” exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2014, the Company had net capital of \$101,894 that was \$60,178 in excess of its required net capital of \$41,716. The Company’s percentage of aggregate indebtedness to net capital at December 31, 2014 was 6.1 to 1.

**NOTE 7: FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 489,726	\$ -	\$ -	\$ 489,726
Securities	3,009	-	-	3,009
	<u>\$ 492,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,735</u>

**NOTE 8: CREDIT RISKS**

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully-disclosed basis with its clearing broker/dealer. The clearing/broker dealer carries all of the accounts of the customers of the Company and is responsible for execution collection and payment of funds and, receipt and delivery of securities relative to customer transactions. Customers send stock certificates directly to the clearing broker/dealer. Off-balance-sheet risks exist with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealer may charge losses it incurs to the Company. The Company seeks to minimize this through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealer.

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. Management periodically evaluates the credit worthiness of its primary depositories. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 9: RETIREMENT PLANS**

**Defined contribution plan**

The Company has a defined contribution plan (the “Plan”) covering all employees with at least one year of service. The Plan requires Company contributions to the Plan each year equal to 3% of all participants’ compensation plus additional contributions at management’s discretion. Total expense of the defined contribution plan for the year ended December 31, 2014 was \$24,661.

**Defined benefit pension plan**

The Company sponsors a defined benefit pension plan covering substantially all of its employees. Pension benefits are based on the greater of the percent of average monthly compensation or dollar amount per month times years of credited service. The Company’s funding policy is to make the minimum annual contribution required by applicable regulations.

In 2008, the Company adopted the recognition and disclosure provisions of SFAS No. 158, later codified in ASC 715-10, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans” (ASC 715). ASC 715 requires the Company to recognize the funded status of its pension and other post-retirement benefit plans in the statement of financial position. Subsequent changes in funded status that are not recognized as a component of net periodic benefit cost are recorded as a component of accumulated other comprehensive loss. The annual measurement date used to determine pension and other post-retirement benefit amounts is December 31, 2014.

The following tables set forth further information about the Company’s defined benefit pension plan as of and for the year ended December 31, 2014:

Pension plan obligations and funded status:

Projected benefit obligation at December 31, 2014	\$ (1,361,721)
Pension plan assets at fair value at December 31, 2014	<u>1,088,504</u>
Funded status	<u>\$ (273,217)</u>
Accumulated benefit obligation at December 31, 2014	\$ (1,056,744)
Employer contributions	100,000
Participant contributions	-
Benefits paid	-

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 9: RETIREMENT PLANS (CONTINUED)**

Amount recognized in the statement of financial position consists of:

Noncurrent liabilities	\$	273,217
------------------------	----	---------

Amounts recognized in accumulated other comprehensive income consist of:

Net actuarial loss arising during current period	\$	299,164
--	----	---------

Other changes in plan assets and benefit obligations previously recognized in changes in comprehensive income:

Net gain arising during prior period	\$	(148,272)
Minimum amortization of actuarial gain		8,892
Total recognized in other comprehensive income		(139,380)
Net periodic pension cost		113,433
Total recognized in net periodic pension cost and other comprehensive income	\$	(25,947)

The following assumptions were used in accounting for the Pension Plan:

Weighted-average assumptions used to determine pension benefit obligations at December 31, 2014:

Discount rate	6.00%
Rate of compensation increase	0.00%

Weighted-average assumptions used to determine net periodic pension benefit cost for the year ended December 31, 2014:

Discount rate	6.00%
Expected return on plan assets	5.00%
Rate of compensation increase	0.00%

The expected long-term rate of return on plan assets is developed in consultation with outside advisors. A range is determined based on the composition of the asset portfolio, historical long-term rates of return, and estimates of future performance.

The percentage asset allocations for the company's pension plan assets as of the plan measurement date are as follows:

**Quest Capital Strategies, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

---

**NOTE 9: RETIREMENT PLANS (CONTINUED)**

<u>Asset Category</u>	
Cash and cash equivalents	25.0%
Equity securities	57.0%
Other	18.0%

The fair values of the Company's pension plan assets at December 31, 2014, by asset category are as follows:

<u>Asset Category</u>	<u>Total Fair Value</u>	<u>Quoted In Active Markets for Identical Assets (Level 1)</u>
Cash and cash equivalents	\$ 269,390	\$ 269,390
Equity securities	628,394	628,394
Other	190,720	190,720
Total	<u>\$ 1,088,504</u>	<u>\$ 1,088,504</u>

Benefits expected to be paid over the next ten (10) fiscal years are as follows:

2015	\$ 188
2016	1,124
2017	1,110
2018	28,064
2019	162,189
5 years after 2019	797,338
	<u>\$ 990,013</u>

**NOTE 10: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 25, 2015, the date which the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2014 have been incorporated into these financial statements, and besides the disclosures herein, there are no subsequent events that require disclosure in accordance with FASB ASC Topic 855, "Subsequent Events".

**SUPPLEMENTAL INFORMATION**

**Quest Capital Strategies, Inc.**  
**Schedule I**  
**Computation Of Net Capital Under Rule 15c3-1**  
**Of The Securities And Exchange Commission**  
**For The Year Ended December 31, 2014**

---

Net Capital:			
Total stockholder's equity from statement of financial condition		\$	<u>129,935</u>
Deductions:			
Non-allowable assets:			
Commissions receivable	\$	642	
Other assets		3,229	
Prepaid expenses		3,187	
Property and equipment, net		12,166	
Deposits and other assets		<u>5,808</u>	<u>25,032</u>
Tentative net capital			104,903
Haircuts			
Money market account	\$	-	
Marketable securities		<u>3,009</u>	<u>3,009</u>
Net Capital		\$	<u><u>101,894</u></u>
Aggregate indebtedness:			
Items included in statement of financial condition:			
Accrued expenses	\$	37,166	
Commissions payable		101,722	
Retirement plans payable		55,730	
License fees payable		157,904	
Pension Asset/Liability		<u>273,217</u>	
Total aggregate indebtedness	\$	<u><u>625,739</u></u>	
Minimum net capital required	\$	<u><u>41,716</u></u>	
Excess net capital	\$	<u><u>60,178</u></u>	
Ratio of aggregate indebtedness to net capital			6.1 to 1
Reconciliation with Company's computation:			
Net capital as reported in Company's Part II-A (unaudited)			
FOCUS report	\$	286,612	
Pension expense adjustments		(24,433)	
Pension benefit obligation actuarial adjustments		(159,784)	
Credit card charges		(198)	
Commission receivable		<u>(303)</u>	
	\$	<u><u>101,894</u></u>	

**Quest Capital Strategies, Inc.**  
**Schedule II**  
**Computation For Determination of Reserve Requirements**  
**Under Rule 15c3-3 Of The Securities And Exchange Commission**  
**For The Year Ended December 31, 2014**

---

The Company is claiming an exception from Rule 15c3-3 under provision 15c3-3(k)(2)(ii).

**Quest Capital Strategies, Inc.**  
**Schedule III**  
**Information Relating To Possession Or Control Requirements**  
**Under Rule 15c3-3 Of The Securities And Exchange Commission**  
**For The Year Ended December 31, 2014**

---

The Company is claiming an exception from Rule 15c3-3 under provision 15c3-3(k)(2)(ii).

**Quest Capital Strategies, Inc.**  
**Schedule IV**  
**Schedule Of Change In Liabilities Subordinated To Claims Of Creditors**  
**For The Year Ended December 31, 2014**

---

Not applicable.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S REPORT ON  
QUEST CAPITAL STRATEGIES EXEMPTION REPORT 2014**

To the Board of Directors and Stockholders of  
Quest Capital Strategies, Inc.:

We have reviewed management's statements, included in the accompanying Quest Capital Strategies Exemption Report 2014, in which (1) Quest Capital Strategies, Inc. identified the following provision of 17 C.F.R. § 15c3-3(k) under which Quest Capital Strategies, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3(k): (2)(ii) (the "exemption provision") and (2) Quest Capital Strategies, Inc. stated that it met the identified exemption provision throughout the most recent fiscal year without exception. Quest Capital Strategies, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Quest Capital Strategies, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.



KCCW Accountancy Corp.

Diamond Bar, California  
February 25, 2015

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES RELATED TO  
AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To the Board of Directors and Stockholders of  
Quest Capital Strategies, Inc.:

In accordance with Rule 17a-5(e)(4) under the Securities and Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Transitional Assessment Reconciliation (Form SIPC-7T)) to the Securities Investor Protection Corporation (SIPC) for the Year Ended December 31, 2014, which were agreed to by Quest Capital Strategies, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Quest Capital Strategies, Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). Quest Capital Strategies, Inc.'s management is responsible for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records and entries, noting no difference;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7T for the year ended December, 31, 2014, noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers, noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments, noting no differences.

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

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



KCCW Accountancy Corp.  
Diamond Bar, California  
February 25, 2015